

14165
RECORDATION NO. Filed 1426

**ITEL
RAIL**

SEP 20 1983 - 3 00 PM

INTERSTATE COMMERCE COMMISSION

55 Francisco
San Francisco, California 94133
(415) 955-9090
Telex 34234

September 16, 1983

Ms. Agatha Mergenovich, Secretary
Interstate Commerce Commission
Washington, D.C. 20423

No.

3-263 A120

Date

SEP 20 1983

Fee \$

120.00

ICC Washington, D. C.

FEE OPERATION BR.
I.C.C.

SEP 20 2 58 PM '83

RECEIVED

Dear Ms. Mergenovich:

Pursuant to 49 U.S.C. Section 11303(a) and the Interstate Commerce Commission's rules and regulations thereunder, I enclose herewith on behalf of Itel Rail Corporation, for filing and recordation, three counterparts of the following document: New Number

Consolidated, Amended, and Restated Equipment Trust Agreement among First Security Bank of Utah, National Association, Itel Corporation and Itel Rail Corporation, dated January 1, 1982 ("Agreement").

The names and addresses of the parties to the aforementioned Agreement are:

1. Itel Corporation
One Embarcadero Center
Suite 2900
San Francisco, California 94111
2. Itel Rail Corporation
55 Francisco, 7th Floor
San Francisco, California 94133
3. First Security Bank of Utah, National Association - Trustee
79 South Main Street
Salt Lake City, Utah 84111

The equipment covered by the Agreement is set forth in Attachments 1-7 to this letter.

Please cross-index the above-referenced Agreement with the following documents:

- (1) Equipment Trust Agreement, 1976 Series 1, dated as of July 15, 1976 between First Security Bank of Utah, N.A., Trustee and SSI Rail Corp., as amended, which was filed under I.C.C. Recordation No. 8457;

Next page for 6 more Cross-indexing

Agatha Mergenovich
Secretary

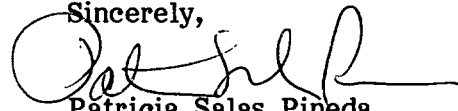
Ms. Agatha Mergenovich, Secretary
September 16, 1983
Page Two

- (2) Equipment Trust Agreement, 1977 Series 1, dated as of January 1, 1977 between First Security Bank of Utah, N.A., Trustee and SSI Rail Corp., as amended, which was filed under I.C.C. Recordation No. 8673;
- (3) Equipment Trust Agreement, 1977 Series 2, dated as of March 15, 1977, between First Security Bank of Utah, N.A., Trustee and SSI Rail Corp., as amended, which was filed under I.C.C. Recordation No. 8781;
- (4) Equipment Trust Agreement, 1978 Series 1, dated as of January 1, 1978, between First Security Bank of Utah, N.A., Trustee and Itel Corporation, as amended, which was filed under I.C.C. Recordation No. 9290;
- (5) Equipment Trust Agreement, 1978 Series 2, dated as of February 1, 1978 between First Security Bank of Utah, N.A., Trustee and Itel Corporation, as amended, which was filed under I.C.C. Recordation No. 9291;
- (6) Equipment Trust Agreement, 1978 Series 3, dated as of November 1, 1978 between Citibank, which was filed under I.C.C. Recordation No. 9932; and
- (7) Equipment Trust Agreement, 1978 Series 4, dated as of December 1, 1978, between Bankers Trust Company, Trustee and Itel Corporation, as amended, which was filed under I.C.C. Recordation No. 9929.

Also enclosed is a check in the amount of \$120.00 covering the appropriate recording and cross-indexing fees.

Please stamp all counterparts of the enclosed Agreement with your official recording stamp. You will wish to retain the one (1) certified copy counterpart of the Agreement for your files; it is requested that the remaining two (2) original counterparts be delivered to the bearer of this letter.

Sincerely,


Patricia Salas Pineda
Counsel

Enclosures

cc: Michael Walsh, Esq.
Weil, Gotshal & Manges
767 Fifth Avenue
New York, New York 10020

Robert S. Clark, Esq.
Senior Trust Officer
First Security Bank of Utah, N.A.
Corporate Trust Division
79 South Main Street
Salt Lake City, Utah 84111

ATTACHMENT I

1976 Series 1 ETC Series Trust and Amended ETC Series Trust

ICC Recordation No. 8457

Purchase Agreement, dated as of July 15, 1976, by and among SSI Rail Corp., Itel Corporation, and the parties named on Annex I thereto.

Equipment Trust Agreement, 1976 Series 1, dated as of July 15, 1976, between First Security Bank of Utah, N.A., Trustee, and SSI Rail Corp., as amended.

Itel Corporation, Itel Rail Corporation, 10¾% Amended Trust Certificates, 1976 Series 1, due December 31, 1991—outstanding principal amount as of January 1, 1982: \$7,385,960.65.

TRUST EQUIPMENT

BOXCARS

<u>Series</u>	<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/ Manufacturer</u>	<u>No. of Cars</u>	<u>Lease Date</u>	<u>Total Cost</u>
1976-1	Escanaba & Lake Superior Railroad Company.....	ELS 9000-9049	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. FMC	49	12/22/76	\$ 1,521,517.13
	Greenville & Northern Railroad Company.....	GRN 8000-8049	50'7" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. ACF	50	08/06/76	\$ 1,448,448.50
	Lake Erie, Franklin & Clarion Railroad.....	LEF 1040-1049	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. FMC	10	01/03/77	\$ 310,513.70
	Minnesota, Dakota & Western Railroad.....	MDW 9000-9099	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Plug FMC	99	07/26/78	\$ 3,295,527.84
	Pearl River Valley Railroad Company.....	PRV 1000-1049	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. PS	50	03/24/76	\$ 1,477,526.00
	Sierra Railroad Company.....	SERA 4000-4049	50'6" XM, 70-Ton PL.B., OC-Dbl. 8' Sldg. FMC	50	09/27/78	\$ 1,649,251.00
	Wabash Valley Railroad.....	WVRC 8000-8049	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. PS	50	08/16/76	\$ 1,477,526.00
				358		\$11,180,310.17

ATTACHMENT II

1977 Series 1 ETC Series Trust and Amended ETC Series Trust

ICC Recordation No. 8673

Purchase Agreement, dated as of January 1, 1977, by and among SSI Rail Corporation, Itel Corporation, and the party named on Annex I thereto.

Equipment Trust Agreement, 1977 Series 1, dated as of January 1, 1977, between First Security Bank of Utah, N.A., Trustee, and SSI Rail Corp., as amended.

Itel Corporation, Itel Rail Corporation, 9½% Amended Trust Certificates, 1977 Series 1, due March 31, 1992—outstanding principal amount as of January 1, 1982: \$2,062,513.85.

TRUST EQUIPMENT

BOXCARS

<u>Series</u>	<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/ Manufacturer</u>	<u>No. of Cars</u>	<u>Lease Date</u>	<u>Total Cost</u>
1977-1	Cadiz Railroad	CAD 1000-1099	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. FMC	98	11/10/76	\$3,077,405.80

ATTACHMENT III

1977 Series 2 ETC Series Trust and Amended ETC Series Trust ICC Recordation No. 8781

Purchase Agreement, dated as of March 15, 1977, by and among SSI Rail Corp., Itel Corporation, and the parties named on Annex I thereto.

Equipment Trust Agreement, 1977 Series 2, dated as of March 15, 1977, between First Security Bank of Utah, N.A., Trustee, and SSI Rail Corp., as amended.

Itel Corporation, Itel Rail Corporation, 9½% Amended Trust Certificates, 1977 Series 2, due October 31, 1992—outstanding principal amount as of January 1, 1982: \$19,326,662.09.

TRUST EQUIPMENT

BOXCARS

<u>Series</u>	<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/ Manufacturer</u>	<u>No. of Cars</u>	<u>Lease Date</u>	<u>Total Cost</u>
1977-2	City of Prineville Railway Company	COP 7001-7200	50'6" XM, 70-Ton PL.B., OC-Dbl. 8' Sldg. FMC	129	04/26/77	\$ 4,077,483.60
	Camino, Placerville & Lake Tahoe Railroad Company	CPLT 7850-7899	50'6" XM, 70-Ton PL.B., C-Dbl. 8' Sldg. FMC	50	01/24/80	\$ 1,567,169.50
	McCloud River Railroad	MR 2000-2399	50'6" XM, 70-Ton PL.B., C-Dbl. 8' Sldg. FMC	144	04/20/77	\$ 4,513,448.16
	(Sublease from Seattle & North Coast Railroad Company)	MR 11000-11099	50'6" XM, 70-Ton PL.B., C-Dbl. 8' Sldg. FMC	100	02/06/80	\$ 3,134,339.00
	Natchez Trace Railroad	NTR 7005-7195	50'6" XM, 70-Ton PL.B., OC-Dbl. 8' Sldg. FMC	70	02/11/82	\$ 2,212,588.00
	Port Huron and Detroit Rail- road Company	PHD 1000-1023	50'6" XP, 70-Ton PL.B., C-Sgl. 10' Sldg. FMC	23	02/22/77	\$ 759,287.96
		PHD 1024-1099	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. FMC	72		\$ 2,376,901.44
	Sierra Railroad Company	SERA 4500-4599	50'6" XM, 70-Ton PL.B., C-Dbl. 8' Sldg. FMC	100	08/29/80	\$ 3,134,339.00
	Terminal Railway of Alabama	TASD 77001-77110	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	109	04/04/77	\$ 3,393,554.77
	Toledo, Peoria & Western Rail- road Company	TPW 70101-70150	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	49	01/12/77	\$ 1,557,741.85
	Wabash Valley Railway	WVRC 7700-7739	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. FMC	40	12/30/75	\$ 1,242,527.20
		WVRC 7740-7749	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. FMC	10		\$ 312,864.50
				896		\$28,282,244.98

ATTACHMENT IV

1978 Series 1 ETC Series Trust and Amended ETC Series Trust

ICC Recordation No. 9290

Purchase Agreement, dated as of January 1, 1978, by and among Itel Corporation and the parties named on Annex I thereto.

Equipment Trust Agreement, 1978 Series 1, dated as of January 1, 1978, between First Security Bank of Utah, N.A., Trustee, and Itel Corporation, as amended.

Itel Corporation, Itel Rail Corporation, 9½% Amended Trust Certificates, 1978 Series 1, due January 31, 1993—outstanding principal amount as of January 1, 1982: \$10,237,973.42.

TRUST EQUIPMENT

BOXCARS

<u>Series</u>	<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/Manufacturer</u>	<u>No. of Cars</u>	<u>Lease Date</u>	<u>Total Cost</u>
1978-1	Apalachicola Northern Railroad	AN 5200-5399	50'7" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. ACF	197	01/25/77	\$ 6,606,934.78
	Green Bay & Western Railroad Company	GBW 8000-8048	50'6" XP, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	49	04/22/81	\$ 1,619,554.37
	Meridian & Bigbee Railroad Company	MB 4000-4005	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	6	06/01/77	\$ 174,773.88
	North Louisiana & Gulf Rail- road Company	NLG 5001-5100	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	98	07/21/77	\$ 3,085,654.46
	Terminal Railway of Alabama ...	TASD 78601-78700	50'6" XM, 70-Ton	99	04/04/77	\$ 3,272,160.87
				449		\$14,759,078.36

ATTACHMENT V

1978 Series 2 ETC Series Trust and Amended ETC Series Trust ICC Recordation No. 9291

Purchase Agreement, dated as of February 1, 1978, by and among Itel Corporation and the parties named on Annex I thereto.

Equipment Trust Agreement, 1978 Series 2, dated as of February 1, 1978, between First Security Bank of Utah, N.A., Trustee, and Itel Corporation, as amended.

Itel Corporation, Itel Rail Corporation, 9¼% Amended Trust Certificates, 1978 Series 2, due August 15, 1993—outstanding principal amount as of January 1, 1982: \$109,113,305.64.

TRUST EQUIPMENT BOXCARS

<u>Series</u>	<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/ Manufacturer</u>	<u>No. of Cars</u>	<u>Lease Date</u>	<u>Total Cost</u>
1978-2	Arkansas & Louisiana Missouri Railroad.....	ALM 1000-1149	60'10" XM, 100-Ton PL.E., C-Sgl. 10' Sldg. FMC	149	06/14/77	\$ 5,916,013.71
	Arkansas & Louisiana Missouri Railroad.....	ALM 1500-1599	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	100	06/14/77	\$ 3,325,131.00
	Apalachicola Northern Railroad	AN 5550-5599	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	50	01/25/77	\$ 1,750,633.50
	Apache Railway	APA 1800-1849	50'6" XM, 70-Ton PL.C., OC-Dbl. 8' Plug FMC	49	06/01/76	\$ 1,642,100.74
	Atlanta & St. Andrews Bay Railway Company.....	ASAB 7200-7299	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	97	05/05/78	\$ 3,406,726.33
	Corinth and Counce Railroad Company	CCR 6000-6399	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	60	04/29/77	\$ 1,875,144.00
	Clarendon and Pittsford Railroad Company.....	CLP 3061-3160	50'7" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. ACF	98	10/18/76	\$ 3,356,005.10
		CLP 3161-3260	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	99		\$ 3,277,109.88
	City of Prineville Railway Company	COP 7201-7400	50'6" XM, 70-Ton PL.B., OC-Dbl. 8' Sldg. FMC	196	04/26/77	\$ 6,469,264.20
	East Camden & Highland	EACH 2001-2161	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	161	04/26/78	\$ 5,721,899.75
	Green Bay and Western Railroad Company	GBW 8049	50'6" XP, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	1	04/22/81	\$ 33,365.19
		GBW 8050-8197	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	148		\$ 4,938,048.12
	Green Mountain Railroad Company	GMRC 750-799	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	50	01/02/76	\$ 1,830,951.50
	Hartford & Slocomb Railway Company	HS 4000-4099	50'6" XM, 70-Ton PL.B., C-Dbl. 8' Sldg. FMC	27	07/01/75	\$ 891,365.31
	Lake Erie, Franklin and Clarion Railroad	LEF 2500-2579	HT, 100-Ton Hopper PL.B., 3433 cu. ft. ACF	80	01/03/77	\$ 2,216,988.80

<u>Series</u>	<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/ Manufacturer</u>	<u>No. of Cars</u>	<u>Lease Date</u>	<u>Total Cost</u>
	Meridian & Bigbee Railroad Company	MB 4006-4099	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	93	06/01/77	\$ 2,708,995.14
	McCloud River Railroad	MR 1010-1698	49'6" XM, 70-Ton PL.B., C-Dbl. 12' Plug SI (Rebuild)	94	04/20/77	\$ 3,054,153.06
		MR 2400-2405	50'6" XM, 70-Ton PL.B., C-Dbl. 8' Sldg. FMC	6		\$ 198,242.52
		MR 4000-4099	50'6" XM, 70-Ton PL.B., C-Dbl. 8' Sldg. FMC	73	04/20/83	\$ 2,409,987.68
	Mississippi Export Railway Company	MSE 800-899	50'7" XM, 70-Ton PL.C. C-Sgl. 10' Sldg. ACF	97	04/25/78	\$ 3,334,326.50
		MSE 900-999	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	98		\$ 3,567,305.84
	Marinette, Tomahawk and Western Railroad Company ...	MTW 4300-4399	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	98	12/23/77	\$ 3,455,261.46
	North Louisiana & Gulf Rail- road Company	NLG 5101-5400	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	296	07/21/77	\$ 9,726,625.12
	New Orleans Public Belt Railway	NOPB 3100-3299	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. PS	199	06/17/77	\$ 6,427,700.00
		NOPB 3300-3399	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. PS	100		\$ 3,115,582.00
		NOPB 3400-3499	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. PS	99		\$ 3,090,786.93
	Port Huron and Detroit Rail- road Company	PHD 2000-2199	50'6" XP, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	196	02/22/77	\$ 6,206,245.92
	Sierra Railroad Company	SERA 4050-4089	50'6" XM, 70-Ton PL.B., OC-Dbl. 8' Sldg. FMC	38	09/27/78	\$ 1,257,695.88
	Sabine River and Northern Railroad Company	SRN 5300-5349	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	50	12/23/77	\$ 1,760,910.00
	FMC/Chemical Group	SSIX 1000-1099	LO, 100-Ton Hopper PL.C., 4650 cu. ft. ACF	94	12/03/76	\$ 2,869,480.66
	Terminal Railway of Alabama ...	TASD 77111-77200	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	90	04/04/77	\$ 2,802,017.70
		TASD 77201-77300	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	100		\$ 3,111,795.00
		TASD 78001-78300	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	298		\$ 9,838,058.76
		TASD 78301-78600	50'7" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. ACF	299		\$ 10,205,264.68
	Texas Mexican Railroad Com- pany	TM 3000-3149	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	149	03/15/78	\$ 5,187,348.58
	Valdosta Southern Railway Co.	VSO 6200-6249	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	50	03/26/76	\$ 1,667,238.00
		VSO 6350-6399	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	50		\$ 1,770,570.50
	Vermont Railway Company	VTR 3501-3550	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. FMC	49	12/10/75	\$ 1,623,451.83
				4,082		\$136,074,911.79

ATTACHMENT VI

1978 Series 3 ETC Series Trust and Amended ETC Series Trust ICC Recordation No. 9932

Purchase Agreement, dated as of November 1, 1978, by and among Itel Corporation and the parties named on Annex I thereto.

Equipment Trust Agreement, 1978 Series 3, dated as of November 1, 1978, between Citibank, N.A., Trustee, and Itel Corporation, as amended.

Itel Corporation, Itel Rail Corporation, 10% Amended Trust Certificates, 1978 Series 3, due December 1, 1994—outstanding principal amount as of January 1, 1982: \$109,404,852.59.

TRUST EQUIPMENT BOXCARS

<u>Series</u>	<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/ Manufacturer</u>	<u>No. of Cars</u>	<u>Lease Date</u>	<u>Total Cost</u>
1978-3	Apalachicola Northern Railroad	AN 5600-5799	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	200	01/25/77	\$ 7,120,000.00
	Arcata and Mad River Railroad	AMR 1000-1099	50'7" XM, 70-Ton PL.C., OC-Dbl. 8' Sldg. ACF	96	07/10/78	\$ 3,769,282.56
	Cadiz Railroad	CAD 1100-1116	50'6" XP, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	17	11/10/76	\$ 650,542.40
	Camino, Placerville and Lake Tahoe Railroad Company	CPLT 7750-7769	50'7" XM, 70-Ton PL.C., OC-Dbl. 8' Sldg. ACF	19	02/09/77	\$ 742,126.13
	East Camden & Highland	EACH 2162-2200	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	39	04/26/78	\$ 1,386,050.25
		EACH 2351-2500	50'6" XM, 100-Ton PL.C., C-Sgl. 12' Plug FMC	99		\$ 4,296,673.26
		EACH 4001-4100	60'10" XP, 100-Ton PL.C., C-Sgl. 12' Plug ACF	97		\$ 4,777,069.59
		EACH 4100-4150	60'10" XM, 100-Ton PL.C., C-Sgl. 12' Plug ACF	50		\$ 2,462,407.00
	Green Bay and Western Rail- road Company	GBW 7000-7049	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	50	03/08/79	\$ 1,883,410.00
		GBW 10000-10049	50'6" XM, 100-Ton PL.C., C-Sgl. 12' Plug FMC	50	10/21/81	\$ 2,170,037.00
	New Orleans Public Belt Railway	NOPB 3500-3549	50'6" XP, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	50	06/17/77	\$ 1,776,250.00
		NOPB 3550-3974	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	425		\$ 15,098,125.00
		NOPB 3975-4099	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	124		\$ 4,674,140.32

<u>Series</u>	<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/ Manufacturer</u>	<u>No. of Cars</u>	<u>Lease Date</u>	<u>Total Cost</u>
Port Huron and Detroit Rail- road Company.....		PHD 3000-3034	50'6" XP, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	35	02/22/77	\$ 1,238,790.00
		PHD 4000-4024	50'6" XF, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	25		\$ 886,125.00
		PHD 5000-5039	50'6" XL, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	39		\$ 1,698,061.56
Rahway Valley Railroad		RV 1000-1024	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	25	09/19/78	\$ 941,705.00
Texas Mexican Railroad Com- pany		TM 3150-3299	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	150	03/15/78	\$ 5,406,108.00
Valley and Siletz Railroad		VS 2000-2059 2061, and 2087-2099	50'6" XM, 100-Ton PL.F., C-Dbl. 8' Sldg. FMC	74	07/26/78	\$ 3,050,033.58
		VS 2060, 2062-2086 and 2100-2149	50'6" XP, 100-Ton PL.F., C-Dbl. 8' Sldg. FMC	75		\$ 3,091,250.25
		WRWK 60001-60300	60'10" XM, 100-Ton PL.C., C-Sgl. 12' Sldg. ACF	298	04/24/80	\$ 13,003,492.24
				2,037		\$ 80,121,679.14

FLATCARS

<u>Series</u>	<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/ Manufacturer</u>	<u>No. of Cars</u>	<u>Lease Date</u>	<u>Total Cost</u>
	Atchison, Topeka and Santa Fe Railway Company.....	SFLC 901050-901094	TOFC/COFC 70-Ton, 89'4" Flatcars Bethlehem	45	05/14/82	\$ 1,973,601.00
		SFLC 901100-901244	TOFC/COFC 70-Ton, 89'4" Flatcars PS	57		\$ 2,481,849.54
		SFLC 901095-901099	TOFC/COFC 70-Ton, 89'4" Flatcars Bethlehem	55		\$ 2,408,754.15
		SFLC 901245-901294	TOFC/COFC 70-Ton, 89'4" Flatcars PS	88		\$ 3,882,592.56
		SFLC 901100-901244	TOFC/COFC 70-Ton, 89'4" Flatcars PS	48		\$ 2,107,509.92
		SFLC 901543-901590	TOFC/COFC 70-Ton, 89'4" Flatcars PS	62		\$ 2,715,322.86
		SFLC 901481-901542	TOFC/COFC 70-Ton, 89'4" Flatcars Bethlehem	54		\$ 2,386,133.10
		SFLC 901591-901644	TOFC/COFC 70-Ton, 89'4" Flatcars PS	55		\$ 2,421,916.75
		SFLC 901645-901699	TOFC/COFC 70-Ton, 89'4" Flatcars PS	50		\$ 2,177,094.00
		SFLC 901000-901049	TOFC/COFC 70-Ton, 89'4" Flatcars PS	150		\$ 6,530,121.00
		SFLC 901295-901444	TOFC/COFC 70-Ton, 89'4" Flatcars PS	36		\$ 1,600,924.68
		SFLC 901445-901480	TOFC/COFC 70-Ton, 89'4" Flatcars PS			
	Brillion & Forest Junction Rail- road.....	BF JR 104000-104099	TOFC/COFC 70-Ton 89'4" Flatcars 89'4" Flatcars PS	100	10/26/78	\$ 4,437,213.00
	Crab Orchard and Egyptian Railroad.....	COER 100000-100049	TOFC/COFC 70-Ton, 89'4" Flatcars PS	31	06/21/78	\$ 1,350,726.11
		COER 250000-250049	TOFC/COFC 70-Ton, 89'4" Flatcars PS	15		\$ 653,112.15
		COER 250050-250099	TOFC/COFC 70-Ton, 89'4" Flatcars ACF	9		\$ 410,120.73
	Detroit, Toledo and Ironston Railway Company.....	DTI 90000-90099	TOFC/COFC 70-Ton, 89'4" Flatcars ACF	18	03/10/81	\$ 778,192.56
		DTI 90000-90099	TOFC/COFC 70-Ton, 89'4" Flatcars PS	26		\$ 1,141,622.04
		DTI 90000-90099	TOFC/COFC 70-Ton, 89'4" Flatcars Bethlehem	18		\$ 788,319.54
		DTI 90000-90099	TOFC/COFC 70-Ton, 89'4" Flatcars PS	17		\$ 751,190.05
		DTI 90000-90099	TOFC/COFC 70-Ton, 89'4" Flatcars PS	21		\$ 924,731.85
		DTI 90100-90134	TOFC/COFC 70-Ton, 89'4" Flatcars ACF	35		\$ 1,594,913.95
		DTI 90135-90169	TOFC/COFC 70-Ton, 89'4" Flatcars PS	35		\$ 1,523,928.35
		DTI 90170-90175	TOFC/COFC 70-Ton, 89'4" Flatcars ACF	6		\$ 273,413.82
		DTI 90176-90193, 90222	TOFC/COFC 70-Ton, 89'4" Flatcars PS	19		\$ 827,864.39

ATTACHMENT VII

1978 Series 4 ETC Series Trust and Amended ETC Series Trust ICC Recordation No. 9929

Purchase Agreement, dated as of December 1, 1978, between Itel Corporation and The Travelers Insurance Company.

Equipment Trust Agreement, 1978 Series 4, dated as of December 1, 1978, between Bankers Trust Company, Trustee, and Itel Corporation, as amended.

Itel Corporation, Itel Rail Corporation, 10%% Amended Trust Certificates, 1978 Series 4, due December 31, 1993—outstanding principal amount as of January 1, 1982: \$19,435,936.93.

TRUST EQUIPMENT

BOXCARS

<u>Series</u>	<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/ Manufacturer</u>	<u>No. of Cars</u>	<u>Lease Date</u>	<u>Total Cost</u>
1978-4	Arkansas & Louisiana Missouri Railroad.....	ALM 1150-1249	60'10" XM, 100-Ton P.L.E., C-Sgl. 10' Sldg. ACF	96	06/14/77	\$ 4,183,959.36
	Atlanta and St. Andrews Bay Railway Company.....	ASAB 8100-8201	60'10" XM, 100-Ton P.L.E., C-Sgl. 10' Sldg. ACF	101	05/05/78	\$ 4,157,839.73
	Camino, Placerville and Lake Tahoe Railroad Company	CPLT 7770-7849	50'7" XM, 70-Ton P.L.C., OC-Dbl. 8' Sldg. ACF	80	02/09/77	\$ 3,124,741.60
	Greenville and Northern Rail- road Company.....	GRN 8050-8099	50'6" XM, 70-Ton P.L.C., C-Sgl. 10' Sldg. PS	50	08/06/76	\$ 1,701,750.00
	Marinette, Tomahawk and Western Railroad Company ...	MTW 4400-4599	50'6" XM, 70-Ton P.L.C., C-Sgl. 10' Sldg. FMC	199	12/23/77	\$ 7,164,199.00
	North Louisiana and Gulf Rail- road Company.....	NLG 5401-5550	50'6" XM, 70-Ton P.L.C., C-Sgl. 10' Sldg. PS	<u>145</u> 671	07/21/77	<u>\$ 5,152,907.05</u> \$25,485,396.74

<u>Series</u>	<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/ Manufacturer</u>	<u>No. of Cars</u>	<u>Lease Date</u>	<u>Total Cost</u>
		DTI 90194-90199	TOFC/COFC 70-Ton, 89'4" Flatcars ACF	6		\$ 259,397.52
		DTI 90200-90202	TOFC/COFC 70-Ton, 89'4" Flatcars PS	3		\$ 132,562.95
		DTI 90203-90206	TOFC/COFC 70-Ton, 89'4" Flatcars PS	4		\$ 176,139.40
		DTI 90207-90212	TOFC/COFC 70-Ton, 89'4" Flatcars Bethlehem	6		\$ 262,773.18
		DTI 90213-90219	TOFC/COFC 70-Ton, 89'4" Flatcars PS	7		\$ 307,359.78
		DTI 90220, 90221	TOFC/COFC 70-Ton, 89'4" Flatcars PS	2		\$ 88,375.30
		DTI 90223-90234	TOFC/COFC 70-Ton, 89'4" Flatcars PS	12		\$ 533,641.56
Maine Central Railroad Company		MEC 105057-105065	TOFC/COFC 70-Ton, 89'4" Flatcars PS	9	03/22/82	\$ 395,176.86
		MEC 105051-105056	TOFC/COFC 70-Ton, 89'4" Flatcars Bethlehem	6		\$ 262,771.98
		MEC 105066-105074	TOFC/COFC 70-Ton, 89'4" Flatcars PS	9		\$ 397,688.85
		MEC 105075	TOFC/COFC 70-Ton, 89'4" Flatcars PS	1		\$ 44,034.85
		MEC 105091-105105 (N.S.)	TOFC/COFC 70-Ton, 89'4" Flatcars PS	10	04/11/80	\$ 439,085.40
		MEC 105076-105087 (N.S.)	TOFC/COFC 70-Ton, 89'4" Flatcars Bethlehem	8		\$ 350,364.24
		MEC 105107-105123 (N.S.)	TOFC/COFC 70-Ton, 89'4" Flatcars PS	14		\$ 618,627.10
		MEC 105079-105125 (N.S.)	TOFC/COFC 70-Ton, 89'4" Flatcars PS	18		\$ 792,627.30
Soo Line Railroad Co.		SOO 54694-54793	TOFC/COFC 70-Ton, 89'4" Flatcars PS	100	02/11/83	\$ 4,437,213.00
		SOO 54754-54793	TOFC/COFC 70-Ton, 89'4" Flatcars PS	40		\$ 1,741,648.00
		SOO 54754-54793	TOFC/COFC 70-Ton, 89'4" Flatcars PS	10		\$ 441,203.70
		SOO 54845-54893	TOFC/COFC 70-Ton, 89'4" Flatcars PS	49		\$ 2,179,036.00
		SOO 54844	TOFC/COFC 70-Ton, 89'4" Flatcars PS	1		\$ 44,187.65
Toledo, Peoria and Western Railroad Company.....		TPW 105076-105100	TOFC/COFC 70-Ton, 89'4" Flatcars ACF	25	01/12/77	\$ 1,080,823.00
				1,290		\$ 56,685,693.80
			1978-3 Total: (Boxcars and Flatcars)	3,327		\$136,810,373.02


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INTERSTATE COMMERCE COMMISSION

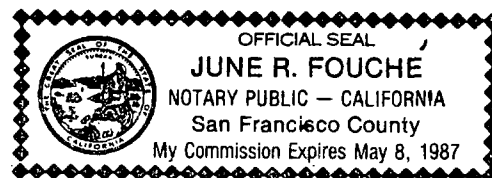
On September 16, 1983, I, Patricia S. Pineda, examined the original copy of the Consolidated, Amended and Restated Equipment Trust Agreement among First Security Bank of Utah, National Association, Itel Corporation and Itel Rail Corporation dated January 1, 1982, and I hereby certify that I have compared the attached duplicate copy with the original, and that it is a complete, true and correct copy of the original in all respects, including the dates, signatures and acknowledgments thereof.


PATRICIA S. PINEDA, COUNSEL
ITEL CORPORATION, RAIL DIVISION

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On September 16, 1983, before the undersigned, a Notary Public for the State of California, personally appeared Patricia S. Pineda, known to me to be the person whose name is subscribed to the above instrument, acknowledged that she executed the same.


JUNE R. FOUCHE



ITEL CORPORATION
ITEL RAIL CORPORATION
RESTATED AND AMENDED
EQUIPMENT TRUSTS

**Series 1976-1, 1977-1, 1977-2, 1978-1,
1978-2, 1978-3, and 1978-4**

**CONSOLIDATED, AMENDED, AND RESTATED
EQUIPMENT TRUST AGREEMENT**

among

FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION,
Trustee,

ITEL CORPORATION,

and

ITEL RAIL CORPORATION

Dated as of January 1, 1982

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CONSOLIDATED, AMENDED, AND RESTATED EQUIPMENT TRUST AGREEMENT, dated as of January 1, 1982, among FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, a national banking association incorporated and existing under the laws of the United States of America (the "Trustee"), ITEL CORPORATION, a Delaware corporation ("Ite"), and ITEL RAIL CORPORATION, a Delaware corporation ("Rail").

WHEREAS, Ite is a party to the Purchase Agreements (each a "Purchase Agreement" and collectively, the "Purchase Agreements") and Equipment Trust Agreements (each a "Trust Agreement" and collectively, the "Trust Agreements") listed on Schedule 1 hereto; and

WHEREAS, the trustee of each trust established by a Trust Agreement is vested with and retains title to the Trust Equipment (as hereinafter defined) listed on Schedule 1 hereto; and

WHEREAS, in respect of the Trust Agreements, equipment trust certificates (each a "Trust Certificate" and collectively, the "Trust Certificates") are now outstanding, in such series and principal amounts and with such interest rates, as are set forth on Schedule 1 hereto; and

WHEREAS, Ite is being reorganized under chapter 11 of title 11 of the United States Code, as amended, and a plan of reorganization (the "Plan") has been confirmed by the United States Bankruptcy Court for the Northern District of California (the "Bankruptcy Court"); and

WHEREAS, pursuant to the Plan, Rail, a wholly owned subsidiary of Ite, has succeeded to the business of Ite's Rail Division and has assumed Ite's rail related obligations (including, without limitation, Ite's obligations in respect of the Trust Certificates); and

WHEREAS, as part of the Plan, the Trust Agreements are to be consolidated, amended, and restated as provided in this Agreement; and

WHEREAS, pursuant to the provisions contained herein and in the Plan, the Trust Certificates shall be amended by supplement as provided herein, and each holder thereof (each such holder an "Existing ETC Holder" and all such holders collectively, the "Existing ETC Holders") shall affix thereto such supplement to evidence such amendment (each such Trust Certificate as so amended being hereinafter referred to as an "Amended Trust Certificate" and all such Trust Certificates so amended being hereinafter referred to collectively as the "Amended Trust Certificates"); and

WHEREAS, the texts of the supplements, including the guarantees by Ite and Rail, respectively, are to be substantially in the forms set forth in Exhibit A hereto; and

WHEREAS, it is desired to secure to holders of the Amended Trust Certificates (each such holder an "ETC Holder" and all such holders collectively, the "ETC Holders") the payment thereof, and to evidence the rights of the ETC Holders, all as hereinafter more particularly provided;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

ARTICLE ONE

DEFINITIONS

SECTION 1.01. *Definitions.* The following terms (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Agreement shall have the respective meanings hereinafter specified:

Acquiring Corporation for the purposes of each of paragraph 7.06(a)(1), 7.06(a)(2), 7.06(b)(1), 7.06(b)(2), 7.06(c)(1), or 7.06(c)(2) hereinbelow, shall have the respective meanings set forth therein.

Advance shall mean a payment made by Ite to Rail not required by the terms of this Agreement at a time after all Deferrals (as hereinafter defined) have been effected pursuant to the provisions of paragraph 4.04(b)(2) hereinbelow and the Total Callback Amount (as hereinafter defined) has been paid by Ite pursuant to the provisions of Section 6.11 hereinbelow, the proceeds of which payment are used to enable Rail to make payment in full to the Trustee of amounts due or to be due within five (5) Business Days (as hereinafter defined) pursuant to the provisions of subsection 4.04(a) hereinbelow.

Affiliate shall mean, with respect to any Person (as hereinafter defined), any other Person which, directly or indirectly, controls or is controlled by, or is under common control with, such other Person. For the purposes of this definition, control (including controlled by and under common control with), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

Agreement shall mean this Consolidated, Amended, and Restated Equipment Trust Agreement, including the Exhibits and Schedules hereto, as it may be further amended from time to time as herein provided, except that the date hereof shall always be January 1, 1982.

Amended ETC Series shall mean the Amended Trust Certificates from time to time outstanding representing all the outstanding interests in an Amended ETC Series Trust (as hereinafter defined.)

Amended ETC Series Trust shall mean an ETC Series Trust (as hereinafter defined) as amended by this Agreement.

Amended Trust Certificates shall mean the Trust Certificates as amended by supplement as provided in this Agreement, which supplement shall be substantially in the form of the certificate set forth in Exhibit A hereto.

Annual Additional Rental Payment shall have the meaning set forth in subsection 2.03(b) hereinbelow.

Annual Cash Capital Expenditure Differential for any year shall be an amount equal to (i) the greater of (A) the aggregate of Cash Capital Expenditures (as hereinafter defined) for such year or (B) \$1 million, if there are any Post 1982 Deferrals (as hereinafter defined) outstanding or (ii) the greater of (A) the aggregate Cash Capital Expenditures for such year or (B) \$3 million if there are no Post 1982 Deferrals outstanding; *provided, however*, that if any portion of the rental payments scheduled to be made to the Trustee pursuant to paragraph 4.04(a)(3) hereinbelow is withheld pursuant to paragraph 4.04(b)(1) hereinbelow for such year, then the Annual Cash Capital Expenditure Differentials for each of the immediately preceding three (3) years shall be deemed to be equal to the respective Cash Capital Expenditure Limits (as hereinafter defined) for such years.

Annual Payment Date for any year shall mean a date no later than April 30 of the following year.

Authorized Officer shall mean the chairman of the board of directors, the chairman of the executive committee, the vice chairman of the executive committee, the president, any vice president, the cashier, the secretary, the treasurer, any senior trust officer, any trust officer, any assistant vice president, any assistant cashier, any assistant secretary, any assistant treasurer, or any manager of the Trustee.

Bad Order Ratio shall be a fraction, the numerator of which is the aggregate number of railroad cars then owned by or leased to Rail which have been withdrawn from service for repair or because they were in need of repair (other than program maintenance and running repair), and the denominator of which is the aggregate number of railroad cars then owned by or leased to Rail.

Bad Order Ratio Limit shall be 2% for the years 1982 and 1983, 3% for the years 1984 and 1985, 4% for the year 1986, 5% for the years 1987 and 1988, 6% for the year 1989, 7% for the years 1990 and 1991, and 8% for all years thereafter.

Bankruptcy Court shall mean the United States Bankruptcy Court for the Northern District of California.

Beneficiary shall mean a holder of Amended Trust Certificates in an Amended ETC Series which series evidences all the outstanding interests in an Amended ETC Series Trust in which the Trust Equipment has a Yearly Utilization Rate (as hereinafter defined) for a calendar year at least ten (10) percentage points greater than the Yearly Utilization Rate for all Trust Equipment for such calendar year. Such Yearly Utilization Rate of such Trust Equipment shall qualify such holder as a Beneficiary only with respect to such Amended ETC Series. However, an ETC Holder may also be a Beneficiary or a non-Beneficiary in respect of its holdings in other Amended ETC Series.

Beneficiary Utilization Rate shall mean the Yearly Utilization Rate of the Trust Equipment in an Amended ETC Series Trust, the holders of Amended Trust Certificates of which are Beneficiaries.

Benefit for a Beneficiary for any ETC Scheduled Payment (as hereinafter defined) shall be an amount equal to the aggregate amount of (i) Yearly Benefits (as hereinafter defined) for all prior years for such Beneficiary, less (ii) the Increases (as hereinafter defined) accrued in all prior years for such Beneficiary less (iii) the Benefit Payments (as hereinafter defined) previously paid to such Beneficiary. For the purposes of this definition, Yearly Benefit shall be an amount equal to the product of (A) the Benefit Percentage (as hereinafter defined) and (B) such Beneficiary's pro rata share of Deferrals for the year immediately preceding the year in which the Yearly Benefit was determined. A Beneficiary's pro rata share of Deferrals is equal to the product of (1) the amount of the Deferral for such year determined pursuant to the provisions of paragraph 4.04(b)(2) hereinbelow and (2) a fraction, the numerator of which is the aggregate unpaid principal amount of the Amended Trust Certificates held by the Beneficiary evidencing such Beneficiary's interests in the Amended ETC Series Trust in which such Benefit accrues, and the denominator of which is the aggregate unpaid principal amount of all the Amended Trust Certificates, in each case, as at December 31 of the year immediately preceding such year in which the Yearly Benefit is determined.

Benefit Payment shall have the meaning set forth in subsection 2.03(b) hereinbelow.

Benefit Percentage shall be the percentage of the Total Utilization Rate (as hereinafter defined) by which the Beneficiary Utilization Rate exceeds the Total Utilization Rate; *provided, however*, that in no event shall the Benefit Percentage exceed (a) 50% if the Beneficiary Utilization Rate is less than or equal to 60%, (b) 67% if the Beneficiary Utilization Rate is greater than 60% and less than or equal to 75%, or (c) 75% if the Beneficiary Utilization Rate is greater than 75%.

Business Day shall mean each Monday, Tuesday, Wednesday, Thursday, and Friday which is not a day on which banking institutions in the place in which the Corporate Trust Office (as hereinafter defined) is located are authorized or obligated by law or executive order to close.

Callback is the mechanism whereby Rail is entitled to receive and IteI and/or the Callback Trustee (as hereinafter defined) is obligated to pay the Callback Amount (as hereinafter defined) pursuant to the provisions of Section 6.11 hereinbelow and the Callback Trust Agreement (as hereinafter defined).

Callback Amount for any year shall mean the obligation of IteI and/or the Callback Trustee then due and payable to Rail in an amount equal to the lesser of (i) the sum of (A) \$9 million and (B) the Prepayment Withheld Amount (as hereinafter defined) for such year less (C) Cumulative Cash Flow (as hereinafter defined) through the close of such year (to the extent such sum is positive) or (ii) the Total Callback Amount.

Callback Trust shall be the trust created by the Callback Trust Agreement.

Callback Trust Agreement shall mean the trust agreement, dated the date hereof, among IteI, Rail, and the Callback Trustee, substantially in the form annexed hereto as Exhibit D.

Callback Trustee shall mean United Jersey Bank, and subject to the provisions of Sections 11 and 12 of the Callback Trust Agreement, any successor as Callback Trustee thereunder.

Callback Trust Trigger Event shall mean any of the following events:

(i) IteI, or one or more of its non-Rail subsidiaries whose aggregate Tangible Net Worth (as hereinafter defined) is equal to not less than 5% of the consolidated Tangible Net Worth of IteI (excluding Rail and the Subsidiaries (as hereinafter defined)) at the end of the immediately preceding fiscal quarter of IteI, shall file a voluntary petition in bankruptcy or seek relief under any provision of any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, or liquidation law (including title 11 of the United States Code) of any jurisdiction, whether now or hereafter in effect, or shall consent to the filing of any such petition against it, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver, trustee, or liquidator, or shall take any action in furtherance of any of the aforesaid purposes; or

(ii) a decree or order for relief shall have been entered by a court of competent jurisdiction in any case commenced against IteI, or one or more of its non-Rail subsidiaries whose aggregate

Tangible Net Worth is equal to not less than 5% of the consolidated Tangible Net Worth of Itel (excluding Rail and the Subsidiaries) at the end of the immediately preceding fiscal quarter of Itel, under chapter 7 or chapter 11 of title 11 of the United States Code or any decree or order shall have been entered by a court of competent jurisdiction adjudging Itel, or one or more of such non-Rail subsidiaries, a bankrupt or insolvent or approving as properly filed a petition seeking reorganization or arrangement of Itel or one or more of such non-Rail subsidiaries under any federal or state law relating to bankruptcy or insolvency, or appointing a receiver or decreeing or ordering the winding up or liquidation of the affairs of Itel or one or more of such non-Rail subsidiaries; or

(iii) Itel, or one or more of its non-Rail subsidiaries whose aggregate Tangible Net Worth is equal to not less than 5% of the consolidated Tangible Net Worth of Itel (excluding Rail and the Subsidiaries) at the end of the immediately preceding fiscal quarter of Itel, shall liquidate, dissolve, or commence to wind up its affairs, or take any corporate action in furtherance of any of the foregoing, other than a merger of a non-Rail subsidiary of Itel into Itel, a consolidation of a non-Rail subsidiary of Itel and Itel, or any other action pursuant to which a non-Rail subsidiary of Itel is liquidated, dissolved, or wound up, but its business is continued by, and its assets transferred to, Itel or another non-Rail subsidiary of Itel; or

(iv) the failure of Itel to make a payment required to be made by it to the Callback Trustee under Section 2 of the Callback Trust Agreement.

For the purposes of this definition, a non-Rail subsidiary of Itel shall be a subsidiary of Itel other than Rail or a Subsidiary.

Callback Year shall have the meaning set forth in Section 6.11 hereinbelow.

Capitalized Lease shall mean any lease of real or personal property which is required to be capitalized under generally accepted accounting principles and of which Rail or a Subsidiary is the lessee.

Capitalized Lease Rentals shall mean all rentals in respect of Capitalized Leases discounted in respect of each Capitalized Lease in accordance with generally accepted accounting principles.

Capital Loan shall mean the difference between the Capital Obligation (as hereinafter defined) and the Capital Loan Deferral (as hereinafter defined).

Capital Loan Deferral shall be an amount equal to the difference between (i) the sum of all Yearly Capital Loan Deferrals (as hereinafter defined) for all years commencing with 1983 and (ii) the aggregate of all amounts previously paid by Rail to the Trustee pursuant to the provisions of paragraph 4.04(a)(7) hereinbelow. For the purposes of this definition, the Yearly Capital Loan Deferral for any year shall be an amount equal to the lesser of (i) Deferrals effected for such year pursuant to the provisions of paragraph 4.04(b)(2) hereinbelow or (ii) the aggregate amount of Cash Capital Expenditures for such year less (A) \$1 million if there are Post 1982 Deferrals outstanding or (B) \$3 million otherwise, to the extent that such difference is positive.

Capital Obligation shall be an amount equal to the difference between (i) the sum of all Yearly Capital Obligations (as hereinafter defined) for all years commencing with 1983 and (ii) the aggregate of all amounts previously paid by Rail to the Trustee pursuant to the provisions of paragraphs 4.04(a)(8) and 4.04(a)(9) hereinbelow. For the purposes of this definition, the Yearly Capital Obligation for any year shall be an amount equal to the aggregate amount of Cash Capital Expenditures for such year less (A) \$1 million if there are Post 1982 Deferrals outstanding or (B) \$3 million otherwise, to the extent that such amount is positive.

Cash Capital Expenditure Limit for any year shall be (A) \$3 million if there are any Post 1982 Deferrals outstanding or (B) \$5 million otherwise.

Cash Capital Expenditures for each year shall mean cash expenditures made by Rail or any Subsidiary during such year to (i) acquire or commit to acquire any fixed or capital assets or (ii) satisfy, directly or indirectly, any obligation with respect to Indebtedness (as hereinafter defined) incurred pursuant to the provisions of subsection 7.01(b) hereinbelow; *provided, however*, that proceeds from the sale of Trust Equipment or Non-ETC Railcars (as hereinafter defined) existing as of the Effective Date (as hereinafter defined) paid by Rail or any Subsidiary for a purpose specified in clause (i) or (ii) above, shall in no event be deemed to be Cash Capital Expenditures.

Cash Equivalents shall mean (i) bank certificates of deposit, bankers' acceptances, or time deposits (but only with banks (x) which are not creditors of Rail and (y) having a combined capital and surplus in excess of \$100 million), (ii) commercial paper maturing within one year rated at least A-1 or the equivalent thereof by S&P (as hereinafter defined) or P-1 or the equivalent thereof by Moody's (as hereinafter defined), (iii) obligations maturing within one year issued or directly and fully guaranteed by the United States Government or any agency thereof, or (iv) repurchase agreements in respect of securities of the type described in clauses (i), (ii), and (iii) above (but only repurchase agreements involving a custodial arrangement with one or more banks having combined capital and surplus in excess of \$100 million except for the investments of Subsidiaries in regional banks existing as of the Effective Date to the extent of \$1 million).

Casualty Affected ETC Holder shall have the meaning set forth in subsection 2.02(e) hereinbelow.

Casualty Affected ETC Series shall have the meaning set forth in subsection 2.02(e) hereinbelow.

Casualty Affected ETC Series Trust shall have the meaning set forth in subsection 2.02(e) hereinbelow.

Casualty Occurrence shall have the meaning set forth in subsection 4.08(a) hereinbelow.

Compliance Amount is the amount which, if paid by Itel to the Callback Trustee, the Callback Trustee to Itel, or Rail to Itel, would cause the sum of the Tangible Net Worth of Itel and the face amount of the Reorganization Securities (as hereinafter defined) outstanding (the aggregate of the principal amount in the case of debt and the redemption price, exclusive of accrued dividends, if any, in the case of preferred stock) to equal the product of (i) 1.75 and (ii) the Total Callback Amount minus the Trust Fund (as hereinafter defined), such amount being (1) the product of (A) one and one-third ($1\frac{1}{3}$) and (B) the sum of the Tangible Net Worth of Itel and the face amount of the Reorganization Securities outstanding minus (2) the product of (A) two and one-third ($2\frac{1}{3}$) and (B) the Total Callback Amount minus the Trust Fund.

Corporate Trust Office shall mean the principal office of the Trustee in Salt Lake City, Utah, at which the corporate trust business of the Trustee shall, at the time in question, be administered, which office is, on the date of this Agreement, located at 79 South Main Street, Salt Lake City, Utah 84111, Attention of Trust Department, Corporate Trust Division.

Cost, when used with respect to a unit of Non-ETC Railcars or Trust Equipment, shall mean the actual cost thereof including delivery charges and taxes and excluding any discounts as set forth in the invoice of the Owner (as hereinafter defined) thereof.

Cumulative Cash Flow with reference to Rail for any period of determination thereof shall mean an amount equal to (a) the aggregate amount of Unrestricted Cash and Unrestricted Cash Equivalents (as hereinafter defined) of Rail as at the close of such period minus (b) Advances repayable by Rail to Itel on the Annual Payment Date immediately succeeding the end of such period, in each case determined on the basis of the audited financial statements of Rail relating to such period, minus (c) \$6 million plus (d) the aggregate amount of any expenditures made by Rail in violation of any provision of this Agreement.

Debt or Indebtedness shall mean without duplication (a) all indebtedness of Rail or any Subsidiary for borrowed money or for the deferred purchase price of property, (b) Capitalized Lease obligations of Rail or any Subsidiary, but excluding trade and other accounts payable in the ordinary course of business in accordance with customary trade terms, and (c) all obligations of the types described in clauses (a) and (b) of this definition which, although non-recourse obligations of Rail or such Subsidiary, as the case may be, are secured by any Lien (as hereinafter defined) on any property owned by Rail or such Subsidiary, as the case may be, but only to the extent attributable to Rail's or such Subsidiary's interest in such property; *provided, however*, that Indebtedness shall not include drafts of Rail or any Subsidiary under customary forms of letters of credit if (i) such drafts arise in the ordinary course of business in connection with the purchase of property and materials, (ii) are repaid within two (2) Business Days of their issuance, (iii) at the time such drafts arise, Rail and the Subsidiaries could have incurred Indebtedness in the amount thereof under Section 7.01 hereinbelow, and (iv) at the time such drafts arise and during such two (2) Business Days after their issuance, Rail and the Subsidiaries have unused and available bank credit lines under then outstanding credit and loan agreements in at least the amount thereof.

Any indebtedness of Rail and the Subsidiaries shall not be included in the computation of "Debt" or "Indebtedness" if during such period upon or prior to the stated maturity or scheduled date for the payment thereof, in compliance with the instrument creating or evidencing such indebtedness or pursuant to which it is outstanding, there is on deposit irrevocably in trust with the proper depository funds or other assets for the payment or satisfaction of such indebtedness; *provided, however*, that such funds or assets shall not be treated while so deposited as assets of Rail and the Subsidiaries for the purpose of determining compliance with any provision of this Agreement.

Default shall mean an event or condition which, with the giving of notice or lapse of time or both, would become an Event of Default (as hereinafter defined).

Deferral shall have the meaning set forth in paragraph 4.04(b)(2) hereinbelow.

Effective Date shall mean the date that the Plan becomes effective.

Electing ETC Holder shall have the meaning set forth in paragraph 4.06(d)(1) hereinbelow.

Electing ETC Holder Payment shall have the meaning set forth in subsection 2.02(d) hereinbelow.

Equipment shall mean standard-gauge, (i) general or special purpose boxcars, (ii) intermodal or special purpose flatcars, (iii) trailers, (iv) gondolas, and (v) open top and covered hoppers.

Equipment Value shall have the meaning set forth in subsection 4.06(b) hereinbelow.

ERISA shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

ETC Holder shall mean a holder of an Amended Trust Certificate.

ETC Holder Deferrals shall mean with respect to an ETC Holder the difference between (i) the aggregate of all payments such ETC Holder was due to receive in respect of its Amended Trust Certificate as reflected in Schedule 2 hereto without giving effect to Section 2.03 hereinbelow and (ii) the aggregate of all payments received by such ETC Holder pursuant to the provisions of Section 2.03.

ETC Scheduled Payment shall have the meaning set forth in subsection 2.03(a) hereinbelow.

ETC Series Trust shall mean one of the seven (7) separate equipment trusts identified on Schedule 1 hereto.

Event of Default shall mean any event specified in Section 5.01 to be an Event of Default.

Excess Cash Flow shall mean for any year Cumulative Cash Flow through the close of such year less the sum of (i) the aggregate of all payments required to be made by Rail to the Trustee for such year pursuant to the provisions of paragraphs 4.04(a)(4) through 4.04(a)(9), inclusive, and 4.04(a)(11), hereinbelow and (ii) the Threshold (as hereinafter defined) for such year, but in no event shall Excess Cash Flow be less than zero.

Existing ETC Holder shall mean a holder of a Trust Certificate.

Funded Debt shall mean all Indebtedness which would, in accordance with generally accepted accounting principles, be classified as funded debt, but in any event including all Indebtedness maturing by its terms more than one year after (including current maturities thereof), or which is renewable or the maturity of which is extendable at the option of the obligor pursuant to the terms thereof for a period ending one year or more after, the date of creation thereof.

Guarantee shall mean, as to any Person, any legally binding obligation of such Person guaranteeing any Indebtedness, leases, dividends, or other legally binding obligations ("primary obligations") of any other Person (the "primary obligor") in any manner including, without limitation, any obligation or arrangement of such Person (a) to purchase or repurchase any such primary obligation, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet condition of the primary obligor, (c) to purchase property, securities, or services (including,

without limitation, take-or-pay, throughput, or similar arrangements) primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (d) to indemnify the owner of such primary obligation against loss in respect thereof; *provided, however*, that the term Guarantee shall not include contingent obligations incurred in connection with the negotiating or discounting of instruments in the ordinary course of the business of Rail and the Subsidiaries. The amount of any Guarantee shall be deemed to be an amount equal to the lesser of (1) the stated or determinable amount of the primary obligation in respect of which such Guarantee is made (or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by Rail in good faith) and (2) the stated or determinable principal amount, if any, of the Guarantee.

ICC Accounting Principles shall mean accounting principles from time to time in effect promulgated or accepted by the Interstate Commerce Commission for reporting purposes under the Interstate Commerce Act.

Increase shall have the meaning set forth in subsection 2.03(a) hereinbelow.

Inspection Amount shall be for 1983, an amount equal to \$50,000 and for each year thereafter an amount equal to the sum of (i) the Inspection Amount for the immediately preceding year and (ii) \$5,000.

Itel shall mean Itel Corporation, a Delaware corporation, and its successor or successors.

Lease shall mean an agreement for the lease of Trust Equipment substantially in the form annexed hereto as Exhibit B-1 or as provided on Schedule 6 hereto.

Lease Assignment shall mean an assignment of a Lease to the Trustee executed by Rail in substantially the form annexed hereto as Exhibit C.

Liabilities shall mean, as to any Person, all indebtedness, obligations, and liabilities of such Person and, without duplication, its subsidiaries which in accordance with generally accepted accounting principles would be included in the liabilities portion of balance sheets of such Person and/or its subsidiaries, as the case may be, as at the date of which the determination is to be made and, except for preferred stock of Itel issued pursuant to the Plan, the amount at which any redeemable preferred stock of such Person outstanding would be carried on such balance sheet at such date of determination.

Lien shall mean any mortgage, pledge, lien, charge, or other encumbrance of any nature whatsoever (including conditional sales or other title retention agreements) on any real or personal property.

Management Agreement shall mean that management agreement, dated as of September 30, 1982, between Itel Corporation, Rail Division and Itel Container International B.V. as set forth as Exhibit E hereto and assigned to Rail pursuant to the Plan on or before the Effective Date.

Mandatory Redemption Payment shall have the meaning set forth in paragraph 4.09(c)(2) hereinbelow.

Matured Series Trust Equipment shall have the meaning set forth in Section 4.05 hereinbelow.

Moody's shall mean Moody's Investors Service, Inc. or its successor.

Net Income shall mean net income (or loss), excluding any portion thereof applicable to minority interests, determined in accordance with generally accepted accounting principles and further excluding (i) undistributed earnings of unconsolidated subsidiaries and joint ventures, (ii) any income attributable to the write-up of assets, and (iii) any earnings of the Subsidiaries which cannot be paid as a dividend to Rail by reason of contract, court decree, or otherwise.

Non-Electing ETC Holder shall have the meaning set forth in paragraph 4.06(d)(1) hereinbelow.

Non-ETC Railcars shall refer to Rail's interest in all railroad cars and trailers at the time wholly owned by Rail, which railroad cars on the date hereof are listed on Schedule 3 hereto.

Offer shall have the meaning set forth in paragraph 4.06(d)(1) hereinbelow.

Officer's Certificate shall mean a certificate signed by the president or any vice president (having responsibility for finance, control, or planning functions) of the Person required to deliver such certificate.

Opinion of Counsel shall mean an opinion in writing signed by legal counsel satisfactory to the Trustee. Such legal counsel may be an employee of Itel or of Rail if acceptable to the Trustee. The

acceptance by the Trustee of an Opinion of Counsel shall be conclusive evidence that such counsel is satisfactory to the Trustee.

Owner shall mean the manufacturer or owner of the Equipment transferring title thereto to the Trustee.

Permitted Sale shall mean a sale of Equipment permitted under this Agreement without regard to the provisions for consent and waiver.

Person shall mean any individual, partnership, firm, joint venture, corporation, trust, unincorporated organization, government or political subdivision thereof, department, or agency.

Plan shall mean the plan of reorganization of Itel confirmed by the Bankruptcy Court.

Post 1982 Deferrals shall mean those Deferrals in respect of years subsequent to 1982.

Postpayment Withheld Amount shall have the meaning set forth in paragraph 4.04(b)(1) hereinbelow.

Prepayment Withheld Amount shall have the meaning set forth in paragraph 4.04(b)(1) hereinbelow.

Prime Rate shall mean the rate per annum publicly announced by Manufacturers Hanover Trust Company of New York from time to time in New York, New York, as its prime rate.

Purchase Agreement shall mean a Purchase Agreement listed on Schedule 1 hereto.

Qualified Equipment shall have the meaning set forth in subsection 7.01(b) hereinbelow.

Rail shall mean Itel Rail Corporation, a Delaware corporation, and its successor or successors.

Rail Casualty Payment shall have the meaning set forth in subsection 2.02(e) hereinbelow.

Rail Components shall mean railroad car wheels, roller bearings, paint, end of car cushioning, railroad car doors, and TOFC hitches (plus costs and services incurred for the removal, installation, reinstallation, or repair thereof and any costs and services associated with the acquisition and delivery thereof as determined by Rail in good faith) and any other railroad car parts used, as determined by Rail, in the maintenance of railroad cars, provided that in all cases the cost of such Rail Components is capitalized and accounted for on the books of Rail pursuant to Rail's component depreciation policy.

Rail Corporate Overhead Expenses shall mean only those corporate overhead expenses described on Schedule 4 hereto and which are attributable to the operations of Rail.

Rail Residual Payment shall mean a payment made to Itel or a non-Rail subsidiary of Itel in respect of a Residual (as hereinafter defined) relating to capital equipment leases of boxcars; *provided, however*, that payments made (i) in respect of re-leases or sales of such capital equipment to the present lessees, (ii) as a result of the sale of all or substantially all of the Residuals relating to capital equipment leases of boxcars in one transaction or a related series of transactions, or (iii) as a result of the sale of a Residual relating to a capital equipment lease of boxcars prior to twelve (12) months before the date of the expiration of such capital equipment lease, shall not be deemed to be Rail Residual Payments.

Reduction shall have the meaning set forth in subsection 2.03(a) hereinbelow.

Reorganization Securities shall mean the securities of Itel listed on Schedule 8 hereto.

Replacement Funds shall have the meaning set forth in subsection 9.04(c) hereinbelow.

Request shall mean a written request for the action therein specified, delivered to the Trustee, dated not more than ten (10) days prior to the date of delivery thereof to the Trustee and signed on behalf of Rail by the President or a Vice President of Rail.

Residuals shall mean contractual rights, acquired in connection with the underwriting or brokering of capital equipment leases, to receive payments upon expiration or termination of the related capital equipment leases equal to a percentage of the proceeds to be realized upon the disposition or lease or remarketing of the capital equipment covered by such leases.

Restricted Cash shall mean at the time of any determination thereof, cash and Cash Equivalents held by Rail or any Subsidiary that are (a) or are claimed to be, the property of Persons other than Rail or such

Subsidiary, (b) subject to any law, regulation, or contractual arrangement (i) restricting the disposition or transfer of such cash or Cash Equivalents or (ii) the effect of which is to make such disposition or transfer materially disadvantageous to Rail or such Subsidiary, (c) the net proceeds of sales of Equipment; *provided, however*, that (i) the proceeds from the sale of Sold Equipment (as hereinafter defined) shall cease to be considered Restricted Cash upon the date and to the extent which such proceeds are delivered to the Trustee (as either the Total Offered Amount (as hereinafter defined) or Substitute Collateral (as hereinafter defined)) or, with respect to any balance, are used to make capital expenditures permitted by the provisions of Section 7.08 hereinbelow and (ii) the proceeds from the sale of Non-ETC Railcars shall cease to be considered Restricted Cash upon the date and to the extent such proceeds are used to make capital expenditures or to pay Debt, settle claims, or meet expenses of Rail pursuant to subsection 7.09(a) hereinbelow, or (d) payments received by Rail in respect of any Casualty Occurrence less all Rail Casualty Payments in respect of such Casualty Occurrence; *provided, however*, that such proceeds shall cease to be considered Restricted Cash upon the date and to the extent which such proceeds are used to make capital expenditures pursuant to Section 7.08 hereinbelow.

Restricted Payment shall mean an amount which may be or has been paid by Rail to ITEL and/or the Callback Trustee pursuant to the provisions of subsection 7.04(a) hereinbelow and shall be (i) for each year 1982 through 1988, inclusive, an amount equal to 80% of the sum of (A) the lesser of (1) the Capital Loan outstanding or (2) Cumulative Cash Flow at the close of such year less the sum of the aggregate of all payments to be made by Rail to the Trustee for such year pursuant to the provisions of paragraphs 4.04(a)(4) through 4.04(a)(7), inclusive, hereinbelow and (B) Excess Cash Flow through the close of such year, (ii) with respect to a Restricted Payment permitted to be made as of January 1, 1989, an amount equal to Cumulative Cash Flow as at December 31, 1988 less the sum of (A) the amount of the payment to be made by Rail to the Trustee pursuant to the provisions of paragraph 4.04(a)(11) hereinbelow for such year and (B) \$9 million, to the extent that such amount is greater than \$0, and (iii) for each year 1989 through 1994, inclusive, an amount equal to the sum of (A) the lesser of (1) the Capital Loan outstanding less the payment made by Rail to the Trustee for such year pursuant to the provisions of paragraph 4.04(a)(9) hereinbelow or (2) Cumulative Cash Flow at the close of such year less the sum of all payments to be made by Rail to the Trustee for such year pursuant to the provisions of paragraphs 4.04(a)(4) through 4.04(a)(7), inclusive, and 4.04(a)(9) hereinbelow and (B) Excess Cash Flow through the close of such year less the payment made by Rail to the Trustee for such year pursuant to the provisions of paragraph 4.04(a)(12) hereinbelow.

Sale Affected ETC Holder shall have the meaning set forth in paragraph 4.06(d)(1) hereinbelow.

Sale Affected ETC Series shall have the meaning set forth in subsection 2.02(d) hereinbelow.

Sale Affected ETC Series Trust shall mean the Amended ETC Series Trust in which the Sale Affected ETC Series represents all the outstanding interests.

Sale Value shall have the meaning set forth in subsection 7.09(b) hereinbelow.

S&P shall mean Standard & Poors Corporation or its successor.

SEC shall mean the Securities and Exchange Commission or its successor.

Security Affected ETC Holder shall have the meaning set forth in paragraph 4.09(c)(2) hereinbelow.

Short Term Debt shall mean all Debt which is payable on demand or which matures within one year from the date of incurrence (including bankers' acceptances payable on demand or within a period of one year from the date of creation thereof) and which is not renewable at the option of the obligor, but shall not include any amount in respect of current maturities of Funded Debt.

Significant Subsidiary shall mean, collectively, one or more Subsidiaries whose (i) aggregate Tangible Net Worth is equal to not less than 10% of consolidated Tangible Net Worth of Rail at the end of the immediately preceding fiscal quarter of Rail, (ii) aggregate Tangible Assets (as hereinafter defined) is equal to not less than 10% of consolidated Tangible Assets of Rail at the end of the immediately preceding fiscal quarter of Rail, or (iii) gross revenue is equal to not less than 10% of consolidated gross revenue of Rail at the end of the immediately preceding fiscal quarter of Rail. If a loss has been incurred by either

Rail or the tested Subsidiary or Subsidiaries, but not both, the equity in the income or loss of such Subsidiary or Subsidiaries shall be excluded from the income of Rail and the consolidated Subsidiaries for purposes of these computations.

Sold Equipment shall have the meaning set forth in subsection 4.06(a) hereinbelow.

Stockholders' Equity shall mean, as to any corporation at any time, the total of its capital stock, surplus, and retained earnings accounts, all as determined in accordance with generally accepted accounting principles.

Stock Pledge Agreement shall mean that stock pledge agreement, dated the date hereof, among Itel, Rail, and the Trustee substantially in the form set forth as Exhibit F hereto.

Sublease shall mean a sublease agreement of a Lease substantially in the form annexed hereto as Exhibit B-2 covering Trust Equipment.

Subsidiary shall mean a corporation of which Rail owns, directly or indirectly (through one or more Subsidiaries or otherwise), at least 80% (exclusive of directors' qualifying shares) of each class of outstanding stock. For the purposes of this Agreement, McCloud River Railroad Company ("McCloud") shall be deemed to be a wholly owned Subsidiary of Rail as long as Rail shall own at least 99.5% of all the capital and all the voting stock of McCloud.

Substitute Collateral shall mean one or more direct obligations of the United States government purchased by all proceeds received by Rail from the sale of Trust Equipment in a Sale Affected ETC Series Trust remaining after giving effect to any payments made by Rail to the Sale Affected ETC Holders pursuant to Section 4.06 with principal and interest payment maturities (i) due at or before the due dates, as set forth on Schedule 2 hereto, of the scheduled payments due the Non-Electing ETC Holders in the Sale Affected ETC Series representing the outstanding interests in such Sale Affected ETC Series Trust, and (ii) in amounts in the case of each scheduled payment in such Sale Affected ETC Series not less than the product of (i) such scheduled payment and (ii) a fraction, the numerator of which is the number of units of Sold Equipment, and the denominator of which is the number of units of Trust Equipment in such Sale Affected ETC Series Trust as of the Effective Date. For the purposes of this definition, it shall be assumed that all Deferrals shall be paid at or before the maturities of the relevant Amended Trust Certificates.

Substitute Equipment shall have the meaning set forth in paragraph 4.06(a)(1) hereinbelow.

Tangible Assets shall mean all assets which, in accordance with generally accepted accounting principles, would appear on the asset side of a balance sheet (including Residuals and leased property to which Capitalized Lease Rentals are attributed), but excluding intangible assets (such terms, as used herein, meaning patents, franchises, trademarks, organizational expense and the like, treasury stock, goodwill, and any other identifiable or unidentifiable assets generally classified as intangible assets) and unamortized debt discount and expense. With respect to Itel, Tangible Assets shall not include the Trust Fund.

Tangible Net Worth shall mean Tangible Assets minus the sum of (i) all reserves and deductions attributable thereto in accordance with generally accepted accounting principles, such as those for depreciation, and (ii) all Liabilities.

Tax Allocation Agreement shall mean that agreement, dated the date hereof, among Itel, Rail, and Itel Container Corporation substantially in the form set forth as Exhibit G hereto.

Threshold for 1982 and for each of the years 1989 through 1994, inclusive, shall equal \$9 million and, for each of the years 1983 through 1988, inclusive, shall equal the lesser of (i) \$19 million or (ii) the sum of (A) the Threshold for the previous year and (B) 10% of Excess Cash Flow through the close of the previous year less (C) one-half ($\frac{1}{2}$) of the aggregate amount paid or caused to be paid by Rail to the Trustee on behalf of the ETC Holders with respect to Post 1982 Deferrals pursuant to the provisions of paragraph 4.04(a)(10) hereinbelow.

Total Callback Amount for any year shall mean an amount equal to the lesser of (i) the aggregate amount of Restricted Payments made by Rail to Itel and/or the Callback Trustee whenever made less \$10 million or (ii) the aggregate amount of all "unutilized" Restricted Payments made by Rail to Itel and/or the Callback Trustee during the five (5) previous years. For the purposes of this definition, a Restricted

Payment shall be considered "utilized" to the extent that payments to Rail made in previous years pursuant to Section 6.11 hereinbelow or the Callback Trust Agreement are applied against such Restricted Payment. A payment to Rail pursuant to Section 6.11 hereinbelow or the Callback Trust Agreement shall be applied first against any Restricted Payment made by Rail to Itel and/or the Callback Trustee in the fifth year before such payment was made (after application of prior payments to Rail against such Restricted Payment), second against any Restricted Payment made by Rail to Itel and/or the Callback Trustee in the fourth year before such payment was made (after application of prior payments to Rail against such Restricted Payment), third against any Restricted Payment made by Rail to Itel and/or the Callback Trustee in the third year before such payment was made (after application of prior payments to Rail against such Restricted Payment), fourth against any Restricted Payment made by Rail to Itel and/or the Callback Trustee in the second year before such payment was made (after application of prior payments to Rail against such Restricted Payment), and finally against any Restricted Payment made by Rail to Itel and/or the Callback Trustee in the year before such payment was made (after application of prior payments to Rail against such Restricted Payment).

Total Cash Capital Expenditure Carryforward for any year shall be an amount equal to (i) the sum of the Cash Capital Expenditure Limits for the three (3) immediately preceding years minus (ii) the sum of the Annual Cash Capital Expenditure Differentials for the three (3) immediately preceding years.

Total Offered Amount shall have the meaning set forth in paragraph 4.06(d)(1) hereinbelow.

Total Utilization Rate shall mean the Yearly Utilization Rate of all Trust Equipment.

Transaction for the purposes of each of paragraph 7.06(a)(1), 7.06(a)(2), 7.06(b)(1), 7.06(b)(2), 7.06(c)(1), or 7.06(c)(2) hereinbelow, shall have the respective meanings set forth therein.

Trust Agreement shall mean a trust agreement listed on Schedule I hereto.

Trust Certificates shall mean those equipment trust certificates in the issues listed on Schedule I hereto.

Trust Equipment shall mean all Equipment in any of the Amended ETC Series Trusts.

Trust Fund shall mean the aggregate of all funds at the time held by the Callback Trustee pursuant to the Callback Trust Agreement.

Trustee shall mean First Security Bank of Utah, National Association, and, subject to the provisions of Article Nine hereinbelow, any successor as trustee hereunder.

Unrestricted Cash and *Unrestricted Cash Equivalents* shall mean all cash and Cash Equivalents which are not restricted within the meaning of the definition of Restricted Cash.

Unsecured Claim Debt shall equal the lesser of (i) \$1,383,436 or (ii) the sum of (A) \$403,720 and (B) 32.5% of the allowed unsecured claims against Itel resulting from the rejection of the Lease of Railroad Equipment, dated as of October 1, 1978, by and between Itel Corporation, Rail Division and Wells Fargo Transport Leasing Corporation.

Utilization Rate for a unit of Trust Equipment shall be the fractional numerical average of all units of equipment of similar car type leased to the same lessee, the numerator of which is the number of hours in a period during which full per diem revenue is earned by such unit of Trust Equipment, and the denominator of which is the total number of hours in such period; *provided, however*, that in the event that less than the full per diem revenues are earned with respect to such unit of Trust Equipment during all or any portion of such period, the numerator of such fraction shall be proportionately reduced for such period. All computations of Utilization Rates (including Yearly Utilization Rates) shall be based on industry practice as stipulated in the Association of American Railroads Code of Car Service Rules and Code of Car Hire Rules. For the purposes of determining the Benefit Percentage, such percentage shall be determined with respect to each calendar year on the basis of Utilization Rates for such year established by Rail on or before the Annual Payment Date for such year as evidenced by the schedule required pursuant to subsection 6.02(d) hereinbelow. The Utilization Rates so established shall, absent manifest error, be binding and conclusive on Itel, Rail, the Trustee, and each ETC Holder.

Withheld Amount shall have the meaning set forth in paragraph 4.04(b)(1) hereinbelow.

Withholding Period shall have the meaning set forth in paragraph 4.04(b)(1) hereinbelow.

Yearly Utilization Rate for a unit of Trust Equipment shall be the Utilization Rate of such unit for a calendar year period. The aggregate Yearly Utilization Rates of the Trust Equipment in an Amended

ETC Series Trust shall be the sum of the Yearly Utilization Rates of each unit of Trust Equipment divided by the total number of units remaining in such Amended ETC Series Trust.

SECTION 1.02. *Other Definitions.*

The words *herein*, *hereof*, *hereto*, *hereunder*, and words of similar import refer to this Agreement as a whole and not to any particular Article, Section, subsection, paragraph, or subdivision hereof; and all references to numbered Articles, Sections, subsections, paragraphs, and subdivisions, unless the context otherwise requires or unless the references thereto specify another agreement, refer to such Articles, Sections, subsections, paragraphs, and subdivisions of this Agreement.

The word *holder* or *holders*, when used with respect to the Trust Certificates or the Amended Trust Certificates, shall include the plural as well as the singular number and shall mean the Person in whose name such Trust Certificates or Amended Trust Certificates are registered. If any Trust Certificate shall have been issued to a Person payable to order, transferable by endorsement, such word and the words "registered holder" as used herein shall include such Person or its assignee.

The terms *principal* and *principal amount* as used herein with respect to an Amended Trust Certificate shall, unless otherwise provided for herein, be deemed to include any premiums payable in respect of such Amended Trust Certificate.

Each accounting term not defined herein and each accounting term partly defined herein, to the extent not defined, shall have the meaning given to it under generally accepted accounting principles.

ARTICLE TWO

AMENDED TRUST CERTIFICATES AND ISSUANCE THEREOF

SECTION 2.01. *Issuance of Amended Trust Certificates.* Schedule 1 hereto identifies each ETC Series Trust amended by this Agreement. Each Amended ETC Series Trust shall continue to be a separate trust, but, upon the occurrence of the Effective Date, such trust from and after the date hereof shall be governed solely by the terms of this Agreement. In addition, upon the occurrence of the Effective Date, from and after the date hereof, each Trust Certificate shall be deemed amended and restated, and additionally guaranteed by Rail, as provided herein, and each Existing ETC Holder shall legend its Trust Certificate "Amended," dated as of the date hereof. Without waiting for the filing of this Agreement or of any other instrument respecting the Trust Equipment, the Trustee shall furnish to each Existing ETC Holder a supplement pursuant to Section 2.04 hereinbelow to evidence such amended terms, which supplement shall be affixed to such Trust Certificate held by such Existing ETC Holder and together they shall constitute and evidence the Amended Trust Certificate. Each Trust Certificate shall nevertheless be deemed for all purposes to evidence the same interest in the Amended ETC Series Trust as would be evidenced by a Trust Certificate to which such supplement is affixed, including the terms of the guarantees by IteL and Rail.

SECTION 2.02. *Interests Represented by Amended Trust Certificates; Interest; Maturity.*

(a) Each Amended Trust Certificate shall continue to represent an interest in the amount therein specified in that separate Amended ETC Series Trust having a corresponding designation as set forth in Schedule 1 hereto.

(b) Except as otherwise provided in subsections 2.02(c) through 2.02(f), inclusive, and Section 2.03 hereinbelow, payments in respect of the Amended Trust Certificates in each respective Amended ETC Series shall be in accordance with Schedule 2 hereto. The Trustee shall be obliged to make all such payments only from and out of rentals or other moneys received from Rail by the Trustee and applicable to such Amended ETC Series under the provisions of this Agreement.

(c) Optional payments or prepayments in respect of, optional contributions to sinking funds for the redemption of, and any repurchase prior to the date of maturity of, any Amended Trust Certificate may be made only in compliance with Schedule 2 hereto; *provided, however*, no such optional payment or prepayment, optional contribution, or repurchase is permitted or can occur, with the exception of those described in subsections 2.02(d), 2.02(e), and 2.02(f) hereinbelow, unless (i) optional payments or

prepayments, optional contributions, or repurchases are effected to reduce the unpaid principal amount of all other Amended ETC Series pro rata in proportion to the aggregate unpaid principal amount of each, and (ii) there are no Deferrals outstanding.

(d) Within ten (10) days after receipt by the Trustee of a payment made by Rail pursuant to the provisions of paragraph 4.06(d)(3) hereinbelow (an "Electing ETC Holder Payment"), the Trustee shall pay to each Electing ETC Holder an amount equal to the product of (i) the Electing ETC Holder Payment and (ii) a fraction, the numerator of which is the unpaid principal amount of the Amended Trust Certificates held by such Electing ETC Holder in the Amended ETC Series in respect of which such Electing ETC Holder Payment was made (the "Sale Affected ETC Series"), and the denominator of which is the aggregate unpaid principal amount of the Amended Trust Certificates held in the Sale Affected ETC Series by all Electing ETC Holders. Such payment by the Trustee to such Electing ETC Holder shall result in a reduction of the unpaid principal amount of the Amended Trust Certificates held by such Electing ETC Holder in the Sale Affected ETC Series equal to the product of (A) the unpaid principal amount of the Amended Trust Certificates held by such Electing ETC Holder in the Sale Affected ETC Series and (B) a fraction, the numerator of which is the number of units of Sold Equipment in the Sale Affected ETC Series Trust, and the denominator of which is the aggregate number of units of Trust Equipment in that Sale Affected ETC Series Trust on the date immediately prior to such sale.

(e) Within ten (10) days after receipt by the Trustee of a payment made by Rail pursuant to the provisions of subsection 4.08(c) hereinbelow (a "Rail Casualty Payment"), the Trustee shall pay to each ETC Holder (each a "Casualty Affected ETC Holder" and collectively, the "Casualty Affected ETC Holders") holding Amended Trust Certificates in the Amended ETC Series (the "Casualty Affected ETC Series") representing the outstanding interests in the Amended ETC Series Trust (the "Casualty Affected ETC Series Trust") in which the Trust Equipment suffering the Casualty Occurrence formed a part, an amount equal to the product of (i) the Rail Casualty Payment and (ii) a fraction, the numerator of which is the aggregate unpaid principal amount of the Amended Trust Certificates held by such Casualty Affected ETC Holder in such Casualty Affected ETC Series, and the denominator of which is the aggregate unpaid principal amount of the Amended Trust Certificates in the Casualty Affected ETC Series. Such payment by the Trustee to such Casualty Affected ETC Holder shall result in a reduction of the unpaid principal amount of the Amended Trust Certificates then outstanding held by such Casualty Affected ETC Holder equal to the product of (A) the unpaid principal amount of the Amended Trust Certificates then outstanding held by such Casualty Affected ETC Holder and (B) a fraction, the numerator of which is the number of units of Trust Equipment in the Casualty Affected ETC Series Trust which have suffered Casualty Occurrences, and the denominator of which is the aggregate number of units of Trust Equipment in that Casualty Affected ETC Series Trust on the date immediately prior to such Casualty Occurrence.

(f) Within ten (10) days after the receipt by the Trustee of the Mandatory Redemption Payment requested by a Security Affected ETC Holder and made by Rail pursuant to the provisions of paragraph 4.09(c)(2) hereinbelow, the Trustee shall pay to such Security Affected ETC Holder an amount equal to such Mandatory Redemption Payment.

(g) The principal of and interest on the Amended Trust Certificates including the payments made pursuant to the provisions of subsections 2.02(d), 2.02(e), and 2.02(f) hereinabove shall be payable at the Corporate Trust Office in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts. Notwithstanding the provisions of the preceding sentence of this subsection 2.02(g), in the case of payments to be made on an Amended Trust Certificate not then to be paid in full, upon request and deposit of an agreement of the holder of such Amended Trust Certificate (the responsibility of such holder to be satisfactory to Rail) obligating such holder, prior to any transfer or other disposition thereof, to surrender the same to the Trustee for notation thereon of the installments of the principal amount represented thereby theretofore paid in whole or in part, the Trustee will mail its check on the date each such payment is due to such registered holder at his address shown on the registry books maintained by the Trustee; *provided, however*, that if, any ETC Holder who is a party to any of the Purchase Agreements directs the Trustee by request in writing to make payments to such Existing ETC Holder by check or wire transfer of Federal or immediately available funds at such address as shall be supplied to the Trustee by such holder in writing,

the Trustee shall comply with such request (to the extent Rail makes such funds available to the Trustee). Each payment made by check or wire transfer shall identify the Amended ETC Series in respect of which such payment is being made, and whether and to what extent such payment is (i) of principal and/or interest, (ii) the return of a portion of the Withheld Amount or a payment of a Deferral, and (iii) being made to the ETC Holder as a Beneficiary, a non-Beneficiary, an Electing ETC Holder, a Casualty Affected ETC Holder, or a Security Affected ETC Holder.

SECTION 2.03. *Modification of Payments.*

(a) During each Withholding Period, all or a portion of the aggregate amount of the scheduled payments due in respect of the Amended Trust Certificates as set forth on Schedule 2 hereto (each an "ETC Scheduled Payment" and collectively, the "ETC Scheduled Payments") shall be deferred to the extent of the Withheld Amount for such Withholding Period. As to each ETC Holder, the Withheld Amount shall reduce the ETC Scheduled Payment otherwise due such ETC Holder as follows:

(1) the ETC Scheduled Payment of a Beneficiary shall be (i) reduced by an amount equal to the product of (A) the Withheld Amount and (B) a fraction, the numerator of which is the ETC Scheduled Payment due such Beneficiary during the Withholding Period, and the denominator of which is the ETC Scheduled Payments during the Withholding Period (such product being referred to as the "Reduction" for such Beneficiary), and (ii) increased by an amount equal to the least of (x) the Reduction for such Beneficiary, (y) the Benefit of such Beneficiary, or (z) the product of (A) the difference between the ETC Scheduled Payments and the Withheld Amount and (B) a fraction, the numerator of which is the ETC Scheduled Payment due such Beneficiary during the Withholding Period, and the denominator of which is the aggregate of the ETC Scheduled Payments due all Beneficiaries (the least of (x), (y), or (z) being referred to herein as the "Increase" for such Beneficiary); and

(2) the ETC Scheduled Payment of a non-Beneficiary shall be reduced by the Reduction for such non-Beneficiary, and further reduced by the lesser of (i) the amount of the ETC Scheduled Payment remaining due such non-Beneficiary and (ii) such non-Beneficiary's pro rata share of the aggregate amount of the Increases for all Beneficiaries. For the purposes of this paragraph 2.03(a)(2), a non-Beneficiary's pro rata share of the aggregate amount of the Increases shall be the product of (A) the aggregate amount of the Increases and (B) a fraction, the numerator of which is the aggregate unpaid principal amount of the Amended Trust Certificates held by such non-Beneficiary, and the denominator of which is the aggregate unpaid principal amount of the Amended Trust Certificates held by all non-Beneficiaries, in each case, as at the first day of such Withholding Period.

(b) Within five (5) Business Days following receipt by the Trustee from Rail of the aggregate of payments made by Rail to the Trustee pursuant to the provisions of paragraphs 4.04(a)(4) through 4.04(a)(12), inclusive, hereinbelow (the "Annual Additional Rental Payment"), the Trustee shall:

(1) first pay to each Beneficiary an amount equal to the lesser of (i) the Benefit of such Beneficiary or (ii) the product of (A) the Annual Additional Rental Payment and (B) a fraction, the numerator of which is the Benefit of such Beneficiary, and the denominator of which is the aggregate amount of Benefits of all Beneficiaries (the "Benefit Payment"); and

(2) thereafter pay to each ETC Holder an amount equal to the sum of (i) the product of (A) a fraction, the numerator of which is the ETC Holder Deferrals for such ETC Holder, and the denominator of which is the aggregate amount of Deferrals then outstanding and (B) the lesser of (x) the aggregate amounts paid by Rail pursuant to the provisions of paragraphs 4.04(a)(7) through 4.04(a)(12), inclusive, hereinbelow or (y) the Annual Additional Rental Payment less the aggregate Benefit Payments made to all Beneficiaries and (ii) the product of (A) a fraction, the numerator of which is the ETC Scheduled Payments of such ETC Holder for the two (2) Withholding Periods during such year, and the denominator of which are all ETC Scheduled Payments for the two (2) such Withholding Periods and (B) all amounts to be paid by the Trustee to the ETC Holders pursuant to the provisions of this subsection 2.03(b) remaining after giving effect to the payment of the Benefit Payments to all Beneficiaries and after giving effect to the payments made pursuant to clause (i) of this sentence.

SECTION 2.04. *Forms of Amended Trust Certificates and Guarantees.* The supplement to the Trust Certificates, including the guarantees to be endorsed thereon by Itel and Rail, respectively, as provided in Section 6.01 hereinbelow, shall be substantially in the form set forth on Exhibit A hereto. The Trust Certificates as amended by such supplements shall together constitute the Amended Trust Certificates. An Amended Trust Certificate in an Amended ETC Series shall be evidenced by a Trust Certificate in the form provided for in the Trust Agreement for the corresponding ETC Series to which a supplement substantially in the form of Exhibit A hereto has been affixed.

SECTION 2.05. *Execution by the Trustee.* The Amended Trust Certificates shall be signed in the name and on behalf of the Trustee by the manual or facsimile signature of one of its senior trust officers, and the manual signature of one of its Authorized Officers, and its seal or a facsimile thereof shall be affixed or imprinted thereon and attested by the manual or facsimile signature of one of its trust officers. In case any officer of the Trustee whose signature, whether facsimile or not, shall appear on any of the Amended Trust Certificates shall cease to be such officer of the Trustee before any Amended Trust Certificate shall have been issued and delivered by the Trustee or shall not have been acting in such capacity on the date of such Amended Trust Certificate, such Amended Trust Certificate may be adopted by the Trustee and be issued and delivered as though such person had not ceased to be or had then been such officer of the Trustee.

SECTION 2.06. *Characteristics of Amended Trust Certificates.*

(a) The Amended Trust Certificates shall (i) be registered, as to both principal and interest, in the name of the holder, (ii) be transferable in whole or in part and exchangeable for Amended Trust Certificates of other denominations of equal aggregate outstanding principal amount upon presentation and surrender thereof for registration of transfer or exchange at the Corporate Trust Office, accompanied, in the case of transfer, by appropriate instruments of assignment and transfer, duly executed by the registered holder of the surrendered Amended Trust Certificate or Certificates or by its duly authorized attorney-in-fact, in form satisfactory to the Trustee, (iii) in connection with Amended Trust Certificates issued in exchange for or upon registration of transfer of another Amended Trust Certificate or Certificates or another Trust Certificate or Certificates, be dated as of the next preceding date to which interest has been paid, and (iv) entitle the registered holder to interest from the date thereof.

(b) The Trustee shall cause to be kept at the Corporate Trust Office books for the registration and registration of transfer of the Amended Trust Certificates and, upon presentation of Amended Trust Certificates for such purposes, the Trustee shall register any transfer as hereinabove provided, under such reasonable regulations as it may prescribe. The names and addresses of the holders of Amended Trust Certificates, the transfer thereof, and the names and addresses of the transferees of Amended Trust Certificates shall be registered in such Corporate Trust Office books.

(c) Anything herein to the contrary notwithstanding, prior to due presentment for registration of transfer, the parties hereto may deem and treat the registered holder of any Amended Trust Certificate as the absolute owner thereof for all purposes and shall not be affected by any notice to the contrary.

(d) For any registration, registration of transfer, or exchange, the Trustee shall require payment by the Person requesting the same of a sum sufficient to reimburse it for any governmental charge connected therewith.

(e) Each Amended Trust Certificate delivered pursuant to any provision of this Agreement in exchange for, or upon the registration of transfer of the whole or any part of, as the case may be, one or more other Amended Trust Certificates, subject only to the provisions of Article Three hereinbelow, shall carry all the rights to principal and to interest accrued and unpaid and to accrue, which were carried by the whole or such part, as the case may be, of such other Amended Trust Certificates, and, notwithstanding anything contained in this Agreement, such Amended Trust Certificate shall be so dated that neither gain nor loss in interest or principal shall result from such exchange, substitution, or registration of transfer.

(f) The Trustee shall not be required to issue, transfer, or exchange Amended Trust Certificates for a period of fifteen (15) days next preceding any interest payment date or redemption date.

(g) The Trustee shall not be required to transfer or exchange any Amended Trust Certificate or portion thereof which has been selected for redemption.

(h) The Trustee shall not be required to transfer or exchange Amended Trust Certificates if such transfer or exchange would be in violation of the Securities Act of 1933, as amended.

SECTION 2.07. *Replacement of Lost Amended Trust Certificates.* In case any Amended Trust Certificate shall become mutilated or defaced or be lost, destroyed, or stolen, then on the terms herein set forth, and not otherwise, the Trustee shall execute and deliver a new Amended Trust Certificate of like tenor and date (except for the amendments herein provided), and bearing such identifying number or designation as the Trustee may determine, in exchange and substitution for, and upon cancellation of, the mutilated or defaced Amended Trust Certificate, or in lieu of and in substitution for the same if lost, destroyed, or stolen. Itel and Rail shall execute their respective guarantees on any Amended Trust Certificate so delivered. The applicant for a new Amended Trust Certificate pursuant to this Section 2.07 shall furnish to the Trustee, to Rail, and to Itel evidence to the satisfaction of each of the loss, destruction, or theft of such Amended Trust Certificate alleged to have been lost, destroyed, or stolen and of the ownership and authenticity of such mutilated, defaced, lost, destroyed, or stolen Amended Trust Certificate, and also shall furnish such security or indemnity as may be required by the Trustee, by Rail, and by Itel in the discretion of each (it being understood that a letter of indemnity from any holder who is a party to a Purchase Agreement or any other similarly reputable institutional investor shall be deemed acceptable by the Trustee, Rail, and Itel). All Amended Trust Certificates are held and owned upon the express condition that the foregoing provisions are exclusive in respect of the replacement of mutilated, defaced, lost, destroyed, or stolen Amended Trust Certificates and shall preclude any and all other rights and remedies, any law or statute now existing or hereafter enacted to the contrary notwithstanding.

ARTICLE THREE

NON-RECOURSE OBLIGATIONS OF ITEL

SECTION 3.01. *Limitations on Obligations of Itel.* Notwithstanding any provision hereof which may be or may be interpreted to be inconsistent with this Article Three, the parties hereto expressly agree that Itel shall have no personal or general liability in connection with its obligations hereunder with respect to the payment of rentals as provided in Article Four hereinbelow and with respect to its guarantee of the payment of the Amended Trust Certificates as provided in Article Six hereinbelow, that such obligations shall be enforceable only against the stock of Rail pledged by Itel under the Stock Pledge Agreement in accordance with the terms and conditions thereof and subject to the limitations set forth therein, and that no action, suit, or any other proceeding shall be initiated by the Trustee or any ETC Holder which could result in a plaintiff having recourse against such stock of Rail in respect of such obligations otherwise than under the Stock Pledge Agreement in accordance with the terms and conditions thereof and subject to the limitations set forth therein or against any other asset or property of Itel; *provided, however*, that nothing herein contained shall be construed to release or impair such obligations of Itel, or preclude the application of said pledged stock of Rail to the satisfaction of such obligations of Itel in accordance with the provisions of the Stock Pledge Agreement.

SECTION 3.02. *Obligations of Itel to Remain Non-Recourse.* The Plan provides that section 1111(b) of title 11 of the United States Code will not apply to obligations of Itel hereunder and under its guarantee of the Amended Trust Certificates, and that the election specified in section 1111(b)(2) of title 11 of the United States Code shall be deemed to have been irrevocably made. Itel and the Trustee hereby agree that for all purposes the obligations of Itel hereunder and under its guarantee of the Amended Trust Certificates shall not be affected by section 1111(b) of title 11 of the United States Code but shall remain non-recourse as stated herein, and the Trustee hereby irrevocably makes the election specified in section 1111(b)(2) of title 11 of the United States Code.

ARTICLE FOUR

PROPERTY OF THE TRUST AND LEASE OF TRUST EQUIPMENT TO RAIL

SECTION 4.01. *Retention of Title to Trust Equipment by the Trustee.* Except as expressly otherwise provided herein, the Trustee is acting hereunder as trustee of all seven (7) Amended ETC Series Trusts and, as among the various Amended ETC Series Trusts, there shall be no commingling of Trust Equipment or any other property held by the Trustee as trustee of such trusts or, prior to the Effective Date, the ETC

Series Trust having a corresponding designation as set forth on Schedule 1 hereto. Subject only to the provisions of Article Three hereinabove, nothing in this Agreement shall affect (i) the Trustee's existing title to any of the Trust Equipment or its existing rights as assignee of the Leases or Subleases or (ii) any Existing ETC Holder's existing rights in respect of any of the Trust Equipment or Lease Assignments.

SECTION 4.02. *Lease of Trust Equipment.* With respect to each Amended ETC Series Trust, the existing lease to ITEL of all the Trust Equipment in such Amended ETC Series Trust as set forth on Schedule 1 hereto is confirmed and hereby is assigned by ITEL to Rail and assumed by Rail. The terms of each such lease are restated and amended as herein provided. The units of Trust Equipment in each Amended ETC Series Trust and the leases thereof by ITEL as lessor are also set forth in Schedule 1 hereto. To the extent that ITEL succeeds to any of the rights of Rail as lessee of the Trust Equipment, its rights in respect of the Trust Equipment shall be no greater than the rights granted to Rail hereunder.

SECTION 4.03. *Substituted Equipment Subject Hereto.* In the event that Rail shall, as provided in paragraph 4.06(a)(1) hereinbelow, elect to cause to be sold to the Trustee Substitute Equipment for any Amended ETC Series Trust in substitution for any of the Trust Equipment herein specifically described or subjected hereto for such Amended ETC Series Trust, such Substitute Equipment shall be included as part of the Trust Equipment for such Amended ETC Series Trust by supplement hereto to be executed by the Trustee and Rail and to be filed with the Interstate Commerce Commission in accordance with all applicable requirements. Such Substitute Equipment shall be subject to all the terms and conditions hereof for such Amended ETC Series Trust in all respects as though it had originally been part of the Trust Equipment for such Amended ETC Series Trust.

SECTION 4.04. *Rental Payments.*

(a) Rail agrees to pay to the Trustee at the Corporate Trust Office (or, in the case of taxes, to the proper taxing authority), in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, rental hereunder which shall be sufficient to pay and discharge the following items, when and as the same shall become due and payable with respect to each of the seven (7) separate Amended ETC Series Trusts, and for this purpose, the payments made pursuant to the provisions of paragraphs 4.04(a)(4) through 4.04(a)(13), inclusive, hereinbelow shall be allocated with respect to such separate trusts in accordance with the amounts payable by the Trustee pursuant to the provisions of Sections 2.02 and 2.03 hereinabove:

(1) the expenses of such Amended ETC Series Trust and compensation and expenses of the Trustee provided for herein;

(2) any and all taxes, assessments, and governmental charges upon or on account of the income or property of any of such trusts, or upon or on account of this Agreement, which the Trustee as such may be required to pay in respect of such Amended ETC Series Trust;

(3) except as otherwise provided in paragraphs 4.04(a)(4) through 4.04(a)(13), inclusive, and subsection 4.04(b) hereinbelow, (A) the amounts payable on the Amended Trust Certificates in respect of such Amended ETC Series Trust as set forth in Schedule 2 hereto when and as the same shall become payable, and (B) interest at the rate per annum provided in Schedule 2 hereto with respect to such Amended ETC Series from the due date, upon the amount of any installments of rental payable under this paragraph 4.04(a)(3) which shall not be paid when due, to the extent legally enforceable;

(4) on the Annual Payment Date for each of the years 1982 through 1988, inclusive, an amount equal to the Prepayment Withheld Amount for the immediately preceding year; *provided, however*, that if (i) the sum of (A) Cumulative Cash Flow through the end of the immediately preceding year and (B) the Callback Amount for such year less (ii) the Prepayment Withheld Amount would be less than \$0, then the rental payable to the Trustee pursuant to the provisions of this paragraph 4.04(a)(4) shall be an amount equal to the sum of (A) Cumulative Cash Flow and (B) the Callback Amount for such year, to the extent such sum is positive;

(5) on the Annual Payment Date for each of the years 1982 through 1988, inclusive, an amount equal to the Postpayment Withheld Amount for the immediately preceding year; *provided, however*, that if (i) Cumulative Cash Flow through the end of the immediately preceding year less (ii) the

Withheld Amount would be less than \$9 million, then the rental payable to the Trustee pursuant to the provisions of this paragraph 4.04(a)(5) shall be an amount equal to the sum of (A) Cumulative Cash Flow less (B) \$9 million less (C) the Prepayment Withheld Amount, to the extent such sum is positive;

(6) on the Annual Payment Date for each of the years 1982 through 1988, inclusive, an amount equal to the sum of (i) interest at the rate equal to the average rate of return on Rail's investments in Cash Equivalents for such year on the Prepayment Withheld Amount for the immediately preceding year, unless any portion of the Prepayment Withheld Amount is deferred pursuant to the provisions of paragraph 4.04(b)(2) hereinbelow and (ii) interest at the rate equal to the average rate of return on Rail's investments in Cash Equivalents for such year on the Postpayment Withheld Amount for the immediately preceding year, unless any portion of the Postpayment Withheld Amount is deferred pursuant to the provisions of paragraph 4.04(b)(2) hereinbelow; *provided, however*, that (x) no such rental shall be payable to the Trustee pursuant to the provisions of clause (i) of this paragraph 4.04(a)(6) to the extent that such payment, if made at the close of the immediately preceding year, would cause Cumulative Cash Flow through the close of such year to be less than \$0 and (y) no such rental shall be payable to the Trustee pursuant to the provisions of clause (ii) of this paragraph 4.04(a)(6) to the extent that such payment, if made at the close of the immediately preceding year, would cause Cumulative Cash Flow through the close of such year to be less than \$9 million;

(7) on the Annual Payment Date for each year commencing with 1983, an amount equal to the lesser of (i) the Capital Loan Deferral or (ii) Cumulative Cash Flow at the close of such year less the aggregate of all payments to be made by Rail to the Trustee for such year pursuant to the provisions of paragraphs 4.04(a)(4) through 4.04(a)(6), inclusive, hereinabove;

(8) on the Annual Payment Date for each of the years 1984 through 1988, inclusive, an amount equal to the least of (i) the total aggregate amount of Post 1982 Deferrals outstanding at the close of such year, (ii) 20% of the Capital Loan, or (iii) 20% of Cumulative Cash Flow at the close of such year less the aggregate of all payments to be made by Rail to the Trustee for such year pursuant to the provisions of paragraphs 4.04(a)(4) through 4.04(a)(7), inclusive, hereinabove;

(9) on the Annual Payment Date for each of the years 1989 through 1994, inclusive, an amount equal to the least of (i) the aggregate amount of Deferrals outstanding at the close of such year, (ii) 30% of the Capital Loan, or (iii) 30% of Cumulative Cash Flow at the close of such year less the sum of the aggregate of all payments to be made by Rail to the Trustee for such year pursuant to the provisions of paragraphs 4.04(a)(4) through 4.04(a)(7), inclusive, hereinabove;

(10) on the Annual Payment Date for each of the years 1984 through 1988, inclusive, an amount equal to (i) the lesser of (A) the aggregate amount of Post 1982 Deferrals outstanding at the close of such year or (B) 20% of Excess Cash Flow through the close of such year, if no Transaction has occurred during such year, (ii) the lesser of (A) the amount referred to in clause (i)(A) above or (B) the greater of (1) 50% of (I) Excess Cash Flow through the close of such year minus (II) any federal income tax liability which Rail would have incurred but for the provisions of the Tax Allocation Agreement or (2) the amount referred to in clause (i)(B) above, if a Transaction has been effected pursuant to the provisions of paragraph 7.06(a)(1), 7.06(b)(1), or 7.06(c)(1) hereinbelow, or (iii) if a Transaction has been effected pursuant to the provisions of paragraph 7.06(a)(2), 7.06(b)(2), or 7.06(c)(2) hereinbelow, the lesser of (A) the aggregate amount of Deferrals outstanding at the close of the year such Transaction was effected or (B) the greatest of (1) \$5 million, (2) the aggregate of the amount of Deferrals outstanding for all Amended ETC Series at the close of the year in which the Transaction was effected divided by the lesser of (I) the number of years from the date of such Transaction to June 1, 1994, but in no event less than one (1), or (II) five (5), or (3) the amount referred to in clause (i)(B) above;

(11) on the Annual Payment Date for the year 1988, an amount equal to the lesser of (i) the aggregate amount of Deferrals outstanding at December 31, 1988 or (ii) the amount by which Cumulative Cash Flow through December 31, 1988 (computed for this purpose by assuming that any payment required to be made pursuant to paragraphs 4.04(a)(4) through 4.04(a)(8), inclusive, and 4.04(a)(10) hereinabove was made on December 31, 1988) exceeds \$9 million; *provided, however*,

that if a Transaction pursuant to the provisions of paragraph 7.06(a)(2), 7.06(b)(2), or 7.06(c)(2) has been effected prior to December 31, 1988, an amount equal to the lesser of (A) the amount referred to in clause (i) above or (B) \$7 million;

(12) on the Annual Payment Date for each of the years 1989 through 1994, inclusive, an amount equal to (i) the lesser of (A) the aggregate amount of Deferrals outstanding at the close of such year or (B) 30% of Excess Cash Flow through the close of such year, if no Transaction has occurred during such year, (ii) the lesser of (A) the amount referred to in clause (i)(A) above or (B) the greater of (1) 50% of (I) Excess Cash Flow through the close of such year minus (II) any federal income tax liability which Rail would have incurred but for the provisions of the Tax Allocation Agreement or (2) the amount referred to in clause (i)(B) above, if a Transaction has been effected pursuant to the provisions of paragraph 7.06(a)(1), 7.06(b)(1), or 7.06(c)(1) hereinbelow, or (iii) if a Transaction has been effected pursuant to the provisions of paragraph 7.06(a)(2), 7.06(b)(2), or 7.06(c)(2) hereinbelow, the lesser of (A) the aggregate amount of Deferrals outstanding at the close of the year such Transaction was effected or (B) the greatest of (1) \$5 million, (2) the aggregate of the amount of Deferrals outstanding for all Amended ETC Series at the close of the year in which the Transaction was effected divided by the lesser of (I) the number of years from the date of such Transaction to June 1, 1994, but in no event less than one (1), or (II) five (5), or (3) the amount referred to in clause (i)(B) above; and

(13) notwithstanding anything to the contrary contained herein, at the maturity of each Amended ETC Series, whether at the stated final maturity, as set forth in Schedule 2 hereto, by acceleration, or otherwise, an amount equal to all Deferrals then outstanding with respect to such Amended ETC Series shall be paid to the Trustee on behalf of the holders of the Amended Trust Certificates in such matured Amended ETC Series unless (i) no Transaction has occurred prior to such stated final maturity and (ii) Cumulative Cash Flow through the close of the calendar year immediately preceding such maturity was less than \$0, in which case payment on account thereof shall be made on the Annual Payment Date for such year and for each next succeeding calendar year to the extent that Cumulative Cash Flow through the close of the immediately preceding calendar year (computed for this purpose by assuming that any payment required to be made pursuant to paragraphs 4.04(a)(4) through 4.04(a)(12), inclusive, hereinabove were made on December 31 of such preceding year) exceeds \$0; *provided, however*, that any amounts not due and payable hereunder by April 30, 2005 shall thereafter not be payable in any event.

(b)(1) Rail may withhold rental payments to the Trustee only as provided in this paragraph 4.04(b)(1). Within sixty (60) days prior to January 1 and July 1 after the Effective Date in each of the years 1983 through 1988, inclusive, and within thirty (30) days of the Effective Date, for each January 1 and July 1 between December 31, 1981 and the Effective Date, Rail shall give to the Trustee and to the ETC Holders notice of the extent to which it will withhold payments (the "Withheld Amount") due the Trustee pursuant to the provisions of paragraph 4.04(a)(3) hereinabove during the six month period commencing that January 1 or July 1, as the case may be (the "Withholding Period"). The withholding of the Withheld Amount shall be allocated among the payments due the Trustee during such Withholding Period based upon the payments due each ETC Holder from the Trustee during such Withholding Period after giving effect to the provisions of subsection 2.03(a) hereinabove. The Withheld Amount shall not exceed the sum of (i) an amount (the "Postpayment Withheld Amount") equal to the lesser of (A) the aggregate of all payments made by Rail to the Trustee for all previous years pursuant to the provisions of paragraph 4.04(a)(10) hereinabove or (B) the amount by which Rail's estimate of the Cumulative Cash Flow through the close of the calendar year which includes such Withholding Period before giving effect to such withholding was less than \$9 million and (ii) an amount (the "Prepayment Withheld Amount") equal to the amount by which Rail's estimate of the Cumulative Cash Flow through the close of such year before giving effect to such withholding but after giving effect to the Postpayment Withheld Amount was less than \$0. Rail's determinations shall be made in good faith, and Rail will deliver or cause to be delivered to the Trustee and to each ETC Holder, within the period above specified prior to that January 1 or July 1, as the case may be, an Officer's Certificate and a written statement explaining in detail Rail's calculations of the Withheld Amount pursuant to the provisions of subsection 6.02(c) hereinbelow. Notwithstanding anything to the contrary contained in this paragraph 4.04(b)(1), the Withheld Amount shall in no event exceed \$40 million less the total amount of Deferrals then outstanding, and there can be

no Withheld Amount unless notice is timely given pursuant to the provisions of the first sentence of subsection 6.02(c) hereinbelow.

(2) On a date prior to each Annual Payment Date, Rail shall, based on the financial statements of Rail for the year just ended as audited by the independent certified public accountants of Rail, determine the difference (a "Deferral"), if any, between the Withheld Amount for the year just ended and the aggregate amount of payments due to the Trustee pursuant to paragraphs 4.04(a)(4) and 4.04(a)(5) hereinabove.

(3) A Deferral shall first be a deferral of interest and then of principal due an ETC Holder.

(4) No interest shall accrue on any Deferral.

(c) All payments to be made by Rail under this Section 4.04 and under Sections 4.06, 4.08, and 4.09 hereinbelow shall be made by wire transfer in immediately available or Federal funds at or before 11:00 a.m. local New York City time, on the date such payments are due.

(d) Nothing contained herein or in the Amended Trust Certificates shall be deemed to impose on the Trustee, on Rail, or on Itel (except as provided in paragraph 4.04(a)(2) hereinabove) any obligation to pay to the registered holder of any Amended Trust Certificate any tax, assessment, or governmental charge required by any present or future law of the United States of America, or of any state, county, municipality, or other taxing authority thereof, to be paid on behalf of, or withheld from the amount payable to, any ETC Holder.

(e) Neither Rail nor Itel shall be required to pay any tax, assessment, or governmental charge so long as it shall in good faith and by appropriate legal proceedings contest the validity thereof, provided that, in the judgment of the Trustee and as set forth in an Opinion of Counsel which shall have been furnished to the Trustee, the rights or interests of the Trustee or of the ETC Holders shall not be materially endangered thereby.

(f) Subject to the provisions of Article Three hereinabove, Itel agrees that it shall be liable for the payment of all rentals under this Section 4.04.

SECTION 4.05. *Termination of Trust and Lease.* With respect to each Amended ETC Series, after all payments due or to become due from Rail hereunder in respect of such Amended ETC Series shall have been completed and fully made to the Trustee (i) such payments shall be deemed to represent payment of the full purchase price for Rail's purchase from the Trustee at such time of the Trust Equipment in the Amended ETC Series Trust in which such Amended ETC Series represents all the outstanding interests (the "Matured Series Trust Equipment"), (ii) any moneys remaining in the hands of the Trustee in respect of such Amended ETC Series Trust after providing for all outstanding Amended Trust Certificates in such Amended ETC Series and after paying the expenses of the Trustee, including its reasonable compensation, shall be paid to Rail, (iii) title to all the Matured Series Trust Equipment shall then vest in Rail, (iv) the Trustee shall execute for record in public offices, at the expense of Rail, such instrument or instruments in writing as reasonably shall be requested by Rail in order to make clear upon public records Rail's title to all the Matured Series Trust Equipment under the laws of any jurisdiction; *provided, however*, that until that time, title to the Matured Series Trust Equipment shall not pass to or vest in Rail, but title to and ownership of all the Matured Series Trust Equipment shall be and remain in the Trustee, notwithstanding the delivery of the Matured Series Trust Equipment to and the possession and use thereof by Rail pursuant to the terms of this Agreement. At the time when no Amended Trust Certificate remains outstanding, the Trustee shall execute a release in form and substance satisfactory to Itel of the pledge of the stock of Rail pursuant to the provisions of the Stock Pledge Agreement.

SECTION 4.06. *Substitution, Replacement, and Release of Trust Equipment.*

(a) With respect to each Amended ETC Series, within ten (10) Business Days after receipt by the Trustee of a Request, the Trustee shall execute and deliver to Rail a bill of sale conveying, assigning, and transferring to a transferee named by Rail all the right, title, and interest of the Trustee in and to the units of Trust Equipment specified in the Request (the "Sold Equipment"), provided that all the provisions of either paragraph 4.06(a)(1) or 4.06(a)(2) hereinbelow shall be satisfied:

(1)(A) Simultaneously with the conveyance by the Trustee to a transferee named by Rail of the Sold Equipment, Rail shall convey, assign, and transfer to the Trustee other units of Equipment (the

“Substitute Equipment”) such that (i) the Equipment Value of the Substitute Equipment is not less than the aggregate Equipment Value of the Sold Equipment on the date of such Request and (ii) each such unit of Substitute Equipment shall have an estimated useful life the longer of (x) the final scheduled maturity of such Amended ETC Series or (y) the longest of the useful lives of the units of the Sold Equipment, (B) no Default or Event of Default shall have occurred and be continuing either before or after giving effect to the actions contemplated in this paragraph 4.06(a)(1), and (C) Rail shall have delivered to the Trustee all of the documents set forth in subsection 4.06(c) hereinbelow; or

(2)(A) Simultaneously with the conveyance by the Trustee to a transferee named by Rail of the Sold Equipment, Rail shall pay the Total Offered Amount and deliver the Substitute Collateral to the Trustee for the benefit of the Electing ETC Holders and the Non-Electing ETC Holders, respectively, in accordance with the provisions of subsections 4.06(d) and 4.06(e) hereinbelow and (B) no Default or Event of Default shall have occurred and be continuing either before or after giving effect to the actions contemplated in this paragraph 4.06(a)(2) and subsections 4.06(d) and 4.06(e) hereinbelow. The Substitute Collateral shall be collateral security for the Amended Trust Certificates of the Non-Electing ETC Holders and shall be held by the Trustee as pledge holder for their benefit pursuant to a pledge agreement to be satisfactory in form and substance to the Trustee and to each Non-Electing ETC Holder.

(b) The Equipment Value of a unit of Trust Equipment or Equipment substituted for Trust Equipment shall be determined as follows:

(1) for the purposes of this Section 4.06 and paragraph 5.01(a)(2) hereinbelow, the value of any unit of Trust Equipment, or for purposes of subsection 7.02(h) hereinbelow, the value of any unit of Equipment shall be deemed to be the greater of (i) the actual fair market value thereof or (ii) the Cost thereof as theretofore certified to the Trustee less one-fifteenth ($\frac{1}{15}$) of such Cost for each period of one (1) full year elapsed between (x) the later of (A) the Effective Date or (B) the date such unit was first put into use as certified to the Trustee pursuant to the provisions of paragraph 4.06(c)(1) hereinbelow and (y) the date of the Request furnished pursuant to this subsection 4.06(a) hereinabove, the unauthorized assignment, transfer, or lease referred to in paragraph 5.01(a)(2) hereinbelow, or the Advance made by Iteq which such unit of Equipment shall secure pursuant to subsection 7.02(h) hereinbelow, as the case may be; and

(2) the value of any unit of Equipment conveyed to the Trustee by Rail as provided in paragraph 4.06(a)(1) hereinabove shall be deemed to be the lesser of (i) the actual fair market value thereof or (ii) the original Cost thereof as theretofore certified to the Trustee less one-fifteenth ($\frac{1}{15}$) of such Cost for each period of one (1) full year elapsed between (x) the later of (A) the Effective Date or (B) the date such unit was first put into use as certified to the Trustee pursuant to paragraph 4.06(c)(2) hereinabove and (y) the date of the Request furnished pursuant to paragraph 4.06(a)(1) hereinabove.

The manner of such determination shall be set forth in each Officer's Certificate furnished in respect thereof pursuant to subsection 4.06(c) hereinbelow, including a statement of actual fair market value.

(c) At the time of delivery of any Request made pursuant to the provisions of paragraph 4.06(a)(1) hereinabove, Rail shall, in addition, deliver to the Trustee the following documents:

(1) an Officer's Certificate certifying the Equipment Value, as of the date of said Request, of the Trust Equipment to be conveyed, assigned, and transferred by the Trustee to a transferee named by Rail, the date such Trust Equipment was first put into service or that such Trust Equipment was first put into service not later than a specified date, and that such transferee is not an Affiliate of Rail;

(2) an Officer's Certificate certifying (i) the Equipment Value of the Substitute Equipment as of such date and the date such Substitute Equipment was first put into service or that such Substitute Equipment was first put into service not earlier than a specified date, (ii) that the Cost of each unit of such Substitute Equipment is an amount therein specified or is not less than an amount therein specified, (iii) that each unit of such Substitute Equipment has an estimated useful life the longer of (x) the final scheduled maturity of the Amended ETC Series or (y) the longest of the useful lives of

the units of the Sold Equipment, and has been marked as provided in Section 4.07 hereinbelow, and (iv) that no Default or Event of Default hereunder has occurred and is continuing;

(3) a bill of sale covering each unit of such Substitute Equipment from the Owner thereof to the Trustee, which bill of sale shall specify such unit of Substitute Equipment described therein by running numbers and shall contain a warranty or guarantee to the Trustee that the title of such unit of Substitute Equipment described therein is, (i) if Rail is not the Owner thereof, free from all claims, liens, security interests, and other encumbrances (including any leasehold interest therein) existing at the time of delivery of such Trust Equipment to Rail or arising from, through, or under the Owner or (ii) if Rail is the Owner thereof, free from all claims, liens, security interests, and other encumbrances (including any leasehold interest therein), except in either such case, for this Agreement and the Lease and/or Sublease, as the case may be, and the Lease Assignment with respect to such unit of Substitute Equipment specified in paragraph 4.06(c)(5) hereinbelow;

(4) an invoice from the Owner of such unit of Equipment having endorsed thereon a certification by Rail as to the correctness of the price stated therein;

(5) the original executed counterpart of a Lease, Sublease, or any amendment thereto authorized pursuant to Section 4.09 hereinbelow and an executed Lease Assignment covering each such unit of Substitute Equipment; and

(6) an Opinion of Counsel to the effect that (i) such bill or bills of sale are valid and effective, either alone or together with any other instruments referred to in and accompanying such Opinion of Counsel, to vest in the Trustee title to each such unit of Substitute Equipment free from all claims, liens, security interests, and other encumbrances (except for this Agreement and any Lease, Sublease, and Lease Assignment referred to in paragraph 4.06(c)(5) hereinabove) and (ii) that a proper supplement hereto in respect of each unit of Substitute Equipment and the Lease, Sublease, and Lease Assignment referred to in paragraph 4.06(c)(5) hereinabove have been duly authorized, executed, and delivered by the parties thereto, constitute the legal, valid, and binding obligations of the parties thereto, subject, as to enforcement of remedies, to any applicable bankruptcy, reorganization, insolvency, moratorium, or other laws affecting the enforcement of creditors' rights generally from time to time in effect, and have been filed with the Interstate Commerce Commission in accordance with all applicable requirements, and no other filings or recordations are necessary for the protection of the rights of the Trustee in and to such unit of Equipment, such Lease, Sublease, Lease Assignment, or this Agreement in any state of the United States or the District of Columbia.

(d)(1) In connection with any transaction sought to be effected under paragraph 4.06(a)(2) hereinabove, if Rail proposes to arrange for the sale of units of Trust Equipment in a Sale Affected ETC Series Trust in a Permitted Sale, Rail shall offer to the Trustee on behalf of the ETC Holders of the Amended Trust Certificates in the Sale Affected ETC Series (each a "Sale Affected ETC Holder" and collectively, the "Sale Affected ETC Holders") to retire all or a portion of such Amended Trust Certificates for an amount equal to all or a portion of the expected proceeds from such sale (the "Total Offered Amount"), the terms of such offer to be such as Rail may deem appropriate (the "Offer"). The Offer shall be made in writing to the Trustee, with a copy to each Sale Affected ETC Holder and shall also contain the terms and conditions under which such Permitted Sale is to be effected (including, without limitation, the price to be received by Rail for the Trust Equipment to be sold in such Permitted Sale). Any Sale Affected ETC Holder may elect to accept the Offer (each an "Electing ETC Holder" and collectively, the "Electing ETC Holders") by delivering to the Trustee, within ten (10) Business Days after the receipt by such Electing ETC Holder of a copy of the Offer, a written acceptance of the Offer. All Sale Affected ETC Holders which, within such ten (10) day period, do not accept the Offer shall be deemed to be Non-Electing ETC Holders.

(2) Within twenty (20) Business Days after receipt by the Trustee of the Offer as provided for in paragraph 4.06(d)(1) hereinabove, the Trustee shall deliver to Rail a writing setting forth the aggregate unpaid principal amount of the Amended Trust Certificates in the Sale Affected ETC Series held by the Non-Electing ETC Holders.

(3) After the occurrence of the events described in paragraphs 4.06(d)(1) and 4.06(d)(2) hereinabove, Rail shall deliver or cause to be delivered to the Trustee (i) cash in an amount equal to the product of (A) the Total Offered Amount and (B) a fraction, the numerator of which is the aggregate unpaid principal amount of the Amended Trust Certificates in the Sale Affected ETC Series held by the Electing ETC Holders, and the denominator of which is the aggregate unpaid principal amount of the Amended Trust Certificates in the Sale Affected ETC Series and (ii) the Substitute Collateral.

(e)(1) Rail may arrange for the sale, in an arm's-length transaction, of no more than the lesser of (i) three hundred (300) units or (ii) 20% of the Trust Equipment in an Amended ETC Series Trust as long as the provisions of paragraph 4.06(a)(2) and subsection 4.06(d) hereinabove are fully complied with; *provided, however*, that Rail may exceed such limit on the number of units of Trust Equipment in an Amended ETC Series Trust to be sold pursuant to the provisions of this paragraph 4.06(e)(1) upon receipt by Rail of the written approval of such action from the holders of more than two-thirds ($\frac{2}{3}$) of the aggregate unpaid principal amount of the Amended Trust Certificates representing the outstanding interests in such Amended ETC Series Trust; and

(2) Rail may arrange for the sale, in an arm's-length transaction, of no more than one thousand (1,000) units of Trust Equipment as long as the provisions of paragraph 4.06(a)(2) and subsection 4.06(d) hereinabove are fully complied with; *provided, however*, that Rail may exceed such limit on the number of units of Trust Equipment to be sold pursuant to the provisions of this paragraph 4.06(e)(2) upon receipt by Rail of the written approval of such action from the holders of more than two-thirds ($\frac{2}{3}$) of the aggregate unpaid principal amount of the Amended Trust Certificates.

SECTION 4.07. *Marking of Trust Equipment.*

(a) Rail has caused or will cause each unit of Trust Equipment before delivery of each such unit to be marked plainly, distinctly, permanently, and conspicuously on each side of each such unit, in letters not less than one inch in height, with the following legend:

**"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT
FILED WITH THE INTERSTATE COMMERCE COMMISSION"**

or such other words as shall be approved by the Trustee. Such marks shall be such as to be readily visible.

(b) If any of such marks shall at any time be removed, defaced, or destroyed, Rail shall cause the same to be restored or replaced. Rail shall not change, or permit to be changed, the numbers of any of the Trust Equipment at any time covered hereby (or any numbers which may have been substituted as herein provided) except in accordance with a statement of new numbers to be substituted therefor which previously shall have been filed with the Trustee and which shall be filed by Rail in like manner as this Agreement.

(c) The Trust Equipment may be lettered in an appropriate manner for convenience of identification of the leasehold interest of Rail therein, and may also be lettered in the case of any of the Leases or Subleases in such manner as may be appropriate for convenience of identification of such leasehold interest therein; but Rail, during the continuance of any Lease or Sublease provided for herein, will not allow the name of any Person to be placed on any of the Trust Equipment as a designation which might reasonably be interpreted as a claim of ownership thereof by Rail or by any other Person other than the Trustee; *provided, however*, that to the extent not inconsistent with the foregoing, the Trust Equipment may be lettered with the names or initials or other insignia customarily used by Rail or the Subsidiaries or by the lessees of the Trust Equipment.

SECTION 4.08. *Maintenance of Trust Equipment; Casualty Occurrences; Insurance.*

(a) Rail agrees that it will maintain or cause to be maintained and keep each unit of Trust Equipment and each unit of Non-ETC Railcars in good order and proper repair solely at the cost or expense of Rail, unless and until it becomes worn out, unsuitable for use, lost, condemned, destroyed, or damaged beyond economic repair (herein called a "Casualty Occurrence").

(b) Whenever any unit of Trust Equipment shall suffer a Casualty Occurrence, Rail shall, within thirty (30) days after it shall have been informed or have knowledge of such Casualty Occurrence, deliver to the Trustee an Officer's Certificate describing such Trust Equipment and stating the value thereof as of the date such Trust Equipment suffered such Casualty Occurrence as determined in accordance with the provisions of subsection 4.08(d) hereinbelow.

(c) When the total value of all units of the Trust Equipment having suffered a Casualty Occurrence as determined pursuant to the provisions of subsection 4.08(d) hereinbelow (exclusive of units having suffered a Casualty Occurrence in respect of which a payment shall have been made to the Trustee pursuant to this Section 4.08) shall exceed \$100,000 Rail shall, within thirty (30) days of the date the last such unit of Trust Equipment to have suffered a Casualty Occurrence shall have suffered such Casualty Occurrence, deposit with the Trustee an amount in cash equal to the value of such units of Trust Equipment as of the date of such deposit. The rights and remedies of the Trustee to enforce or to recover any of the rental payments to which the Trustee is otherwise entitled hereunder shall not be affected by reason of such Casualty Occurrence.

(d) For all purposes of this Section 4.08, the value of a unit of Trust Equipment shall be deemed to be that amount which bears the same ratio to that portion of the original Cost thereof paid by the Trustee (or a predecessor trustee for that trust) as the aggregate unpaid principal amount of the Amended Trust Certificates representing all the outstanding interests in the Amended ETC Series Trust of which such unit of Trust Equipment constitutes a part (after giving effect to payments pursuant to subsection 2.02(b) hereinabove), as of the date such determination of value is made, bears to the aggregate unpaid principal amount of the Trust Certificates originally issued in the ETC Series Trust of which such unit of Trust Equipment constituted a part thereof or is Substitute Equipment for a unit of Trust Equipment which constituted a part thereof.

(e) Rail will, at its own expense, cause to be carried and maintained insurance in respect of the Trust Equipment in amounts and against risks customarily insured against by railroad companies or railroad car leasing companies, in each case consistent with industry practice, on similar Equipment. Any policy covering risk of loss or damage to the Trust Equipment (A) shall provide for payments thereunder to be made directly to the Trustee (to be held by the Trustee and, when any payments are due by Rail pursuant to subsection 4.08(c) hereinabove to be credited against such payments) and (B) shall name the Trustee as an additional named insured, as its interest may appear.

SECTION 4.09. *Possession of Trust Equipment; Security Interest in Leases.*

(a) Except as provided in this Section 4.09 and in Schedule 6 hereto, Rail shall not assign or transfer its rights hereunder, or transfer or lease the Trust Equipment or any part thereof, without the prior written consent of the Trustee, and Rail shall not, without such written consent, except as herein permitted, part with the possession of, or suffer or allow to pass out of its possession or control, any of the Trust Equipment.

(b) As long as no Default or Event of Default under this Agreement shall have occurred and be continuing, and pursuant to the provisions in Schedule 6 hereto (where applicable), Rail shall be entitled to (1) possess the Trust Equipment, (2) enter into and maintain Leases, (3) modify, alter, amend, or terminate Leases (as long as any such Lease, as modified, altered, or amended, still constitutes a Lease), (4) permit any Sublease of any such Lease, and (5) permit the use of the Trust Equipment by a lessee or user in the United States of America (or any state thereof or the District of Columbia), in Canada or any province or territory thereof, or in Mexico; *provided, however*, that (i) each such Lease, Sublease, and any amendment of such Lease or Sublease shall be assigned to the Trustee pursuant to a Lease Assignment within one (1) Business Day after (x) the execution of such Lease, Sublease, or amendment by Rail or (y) the amendment of an existing lease agreement by Rail by the addition of any units of Trust Equipment thereto, thereby requiring that such agreement be a Lease or Sublease, (ii) such Lease, Sublease, or amendment thereto and the corresponding Lease Assignment shall be filed as provided in Section 6.07 hereinbelow, and simultaneously with the entering into any such Lease, Sublease, amendment thereto, or any amendment to an existing lease agreement which, by the addition of any units of Trust Equipment thereto, causes such agreement to become a Lease or Sublease, Rail shall deliver to the Trustee the original counterpart of such Lease, Sublease, or amendment thereto and, within forty five (45) days after the execution of the Lease Assignment, an Officer's Certificate certifying (A) the number of counterparts of such Lease, Sublease, or amendment thereto which were executed and the number of such counterparts in the possession of Rail, and (B) that each counterpart of such Lease, Sublease, or amendment thereto in the possession of Rail has been stamped "Assigned to First Security Bank of Utah, N.A., Trustee, under a Lease Assignment dated as of [], (iii) neither Rail nor any lessee under a Lease or Sublease shall enter into any Lease, Sublease, or car contract relating to the use of Trust Equipment with

any lessee or user which is not a company duly incorporated under the laws of the United States or any state thereof, (iv) no more than 10% of the units of Trust Equipment in any Amended ETC Series Trust shall be used or located at any one time outside the United States without receipt by the Trustee of the written consent of the holders of at least a majority in aggregate unpaid principal amount of the Amended Trust Certificates of that Amended ETC Series which represents all the outstanding interests in such Amended ETC Series Trust; *provided, however*, that the restrictions contained in clauses (iii) and (iv) above shall not apply to units of Trust Equipment leased in Canada to Canadian lessees if evidence satisfactory to the Trustee is provided by Rail to the effect that the interests of the Trustee and the ETC Holders therein are not thereby impaired, diminished, or otherwise adversely affected, (v) Rail will not permit the lessee under any Lease or Sublease to assign such Lease or Sublease or any of its rights thereunder or transfer or sublease any Trust Equipment subject thereto or any part thereof, except pursuant to a Sublease, and (vi) Rail and, subject to the provisions of Article Three hereinabove, IteI shall remain liable hereunder and under the guarantees endorsed on the Amended Trust Certificates for the performance of all of their obligations hereunder and thereunder as if no such Lease or Sublease had been entered into.

(c)(1) With respect to the Leases identified on Schedule 6 hereto, IteI and Rail represent and warrant that they have not heretofore made, and, with respect to all Leases and Subleases, covenant that they will not hereafter make, any assignment or transfer of any Lease or Sublease or any rights thereunder or interest therein other than a Lease Assignment to the Trustee, to the extent such Lease or Sublease relates to the Trust Equipment. Rail further covenants that it will deliver a copy of any Lease, Sublease, or any amendment of such Lease or Sublease executed after the Effective Date, to the Trustee and, if requested in writing by a holder of an Amended Trust Certificate, to such holder promptly upon the execution thereof or the receipt of such request, as the case may be, that it will stamp each counterpart of any such Lease, Sublease, or amendment thereto which it may hereafter possess "Assigned to First Security Bank of Utah, N.A., Trustee, under a Lease Assignment dated as of []," promptly upon coming into possession thereof and that it will exercise its best efforts to obtain from the lessee under each such Lease or Sublease a confirmation, in form satisfactory to the holders of a majority in aggregate principal amount of Amended Trust Certificates then outstanding, (i) that each counterpart of such Lease, Sublease, or any amendment thereto in the possession of such lessee has been stamped "Lessor's interest assigned to First Security Bank of Utah, N.A., with respect to cars numbered []" and (ii) that such lessee acknowledges receipt of notice of such assignment and, if requested by such holders, receipt of a copy of such Lease Assignment.

(2) With respect to each Amended ETC Series and Amended ETC Series Trust, if such confirmation referred to in paragraph 4.09(c)(1) hereinabove by any lessee under any Lease, Sublease, or amendment of such Lease or Sublease entered into after the date hereof is not received by the Trustee within ten (10) days after the execution thereof (or, in the case of any Lease Assignment executed thereafter, within thirty (30) days of its execution) any holder (a "Security Affected ETC Holder") of Amended Trust Certificates in such Amended ETC Series may, within sixty (60) days thereafter (or within sixty (60) days after the expiration of such thirty (30) day period) notify the Trustee, IteI, and Rail that it is requiring the redemption of the portion of the outstanding principal amount of the Amended Trust Certificates held by such Security Affected ETC Holder which bears the same ratio to the outstanding principal amount of the Amended Trust Certificates held by it as the amount disbursed by the Trustee pursuant to Article Three of the Trust Agreement under which such Amended Trust Certificates were originally issued for the acquisition of the Trust Equipment subject to such Lease or Sublease bears to the aggregate principal amount of Trust Certificates issued pursuant to Article Two of such Trust Agreement, at a redemption price equal to that in effect for such Amended Trust Certificates on the date of redemption for a voluntary redemption pursuant to Schedule 2 hereto, together with accrued and unpaid interest to the date fixed for redemption (the "Mandatory Redemption Payment"); such redemption date shall be any date determined by the Trustee, falling not less than thirty (30) days nor more than sixty (60) days after receipt of such notice, and Rail shall pay to the Trustee an amount necessary to effect such redemption by such redemption date.

SECTION 4.10. Indemnity. Subject to the provisions of Section 9.02 hereinbelow, Rail agrees to indemnify, protect, save, and keep harmless the Trustee and its respective successors, assigns, legal

representatives, agents, and servants and the ETC Holders against any and all claims (including, without limitation, claims involving strict or absolute liability), liabilities, obligations, damages, penalties, taxes (other than income taxes on fees or other compensation received by the Trustee in its capacity as Trustee hereunder and other than income taxes on payments of principal of and interest on the Amended Trust Certificates and any other payments to the ETC Holders hereunder), actions, costs, suits, expenses, or disbursements (including, without limitation, legal fees and expenses), or losses of any kind or nature whatsoever which may be imposed on or asserted against the Trustee and its respective successors, assigns, legal representatives, agents, and servants, or against the ETC Holders, or losses arising out of or connected with the ownership, lease, use, sublease, operation, manufacture, purchase, acceptance, rejection, delivery, possession, maintenance, condition, registration, filing, sale, return, storage, or other disposition of any of the Trust Equipment, and particularly against any and all claims, liabilities, or losses arising out of the use of any patented inventions in and about the Trust Equipment, and to comply in all respects with the laws of the United States of America and of all the states and other jurisdictions in which the Trust Equipment, or any unit thereof, may be operated, and with all lawful acts, rules, regulations, and orders of any commissions, boards, and other legislative, executive, administrative, or judicial bodies or officers having power to regulate or supervise any of the Trust Equipment, including without limitation, all lawful acts, rules, regulations, and orders of any body having competent jurisdiction relating to automatic coupler devices or attachments, air brakes, or other appliances; *provided, however*, that Rail may in good faith contest the validity of any such law, act, rule, regulation, order, or the application thereof to the Trust Equipment or any part thereof, in any reasonable manner which will not in the reasonable judgment of the Trustee materially endanger the rights or interests of the Trustee or of any ETC Holder. Rail shall not be relieved from any of its obligations hereunder by reason of any attempt to enforce any such claims or the commencement or prosecution of any litigation in respect thereof.

ARTICLE FIVE

EVENTS OF DEFAULT AND REMEDIES

SECTION 5.01. *Events of Default.*

(a) Rail and, subject to the provisions of Article Three hereinabove, Itel, agree that, with respect to each Amended ETC Series and Amended ETC Series Trust, in case:

(1) there shall be a default in the payment of any part of the rental payable hereunder to the Trustee in respect of such Amended ETC Series Trust or in their respective guarantees of the Amended Trust Certificates in such Amended ETC Series and such default shall continue for a period of five (5) days; or

(2) Rail shall make or suffer to exist any unauthorized assignment, transfer, or lease of any of the Trust Equipment in such Amended ETC Series Trust (including, for the purpose of this clause, contracts for the use thereof), or, except as herein authorized, shall part with the possession of any such Trust Equipment, and shall fail or refuse to cause such assignment, transfer, or lease to be cancelled by agreement of all parties having any interest therein and recover possession of such Trust Equipment within thirty (30) days after the Trustee shall have demanded in writing such cancellation and recovery of possession, or within said thirty (30) days to deposit with the Trustee a sum in cash equal to the Equipment Value, as of the date of such unauthorized action, of such Trust Equipment for the benefit of the ETC Holders in the Amended ETC Series which represents all the outstanding interests in the Amended ETC Series Trust which contains such Trust Equipment (any sum so deposited to be returned to Rail upon the cancellation of such assignment, transfer, or lease and the recovery of possession by Rail of such Trust Equipment); or

(3) Rail shall, for more than thirty (30) days, fail or refuse to comply with the terms of Section 4.06, 4.07, 4.08, 4.09, or 4.10 hereinabove, Section 6.06 or 6.07 hereinbelow or any Lease Assignment on Rail's part to be kept and performed, in each case, with respect to the Trust Equipment in such Amended ETC Series Trust;

then, in any such case (herein called an "Event of Default"), the Trustee in its discretion may, and upon the written request of (i) the holders of a majority, if such request is made with respect to an Event of Default under paragraph 5.01(a)(2) hereinabove or (ii) the holders of at least 25%, if such request is made with respect to an Event of Default under either of the other paragraphs of this subsection 5.01(a), in aggregate unpaid principal amount of the Amended Trust Certificates in such Amended ETC Series, the Trustee shall, by notice in writing delivered to Rail, declare to be due and payable forthwith the entire amount of the payments due and payable by Rail in respect of such Amended ETC Series Trust as set forth in paragraph 4.04(a)(3) hereinabove and not theretofore paid and all outstanding ETC Holder Deferrals in respect of such Amended ETC Series.

(b) Rail and, subject to the provisions of Article Three hereinabove, Itel further agree that in case:

(1) Itel and/or Rail, as the case may be, shall for more than thirty (30) days after either (i) the Trustee shall have demanded in writing performance thereof or (ii) the President, or any Vice President of Itel or Rail, as the case may be, shall have knowledge thereof, fail or refuse to comply with any of the terms and covenants contained in Section 6.06, 6.08, 6.10, 6.12, or 6.13 or Article Seven hereinbelow which are applicable to it or to make provision satisfactory to the Trustee for such compliance; or

(2) Itel and/or Rail, as the case may be, shall for more than forty five (45) days after the Trustee shall have demanded in writing performance thereof, fail or refuse to comply with any other of the terms and covenants hereof which are applicable to it or to make provision satisfactory to the Trustee for such compliance; or

(3) Rail or any Subsidiary shall default in any payment of any Indebtedness beyond any period of grace provided with respect thereto, or shall default in the performance of any other agreement, term, or condition contained in any agreement under which any such Indebtedness is created, and (i) the effect of such default, if it occurs prior to the stated maturity or scheduled date for the payment thereof, is to cause any Indebtedness to become due prior to the stated maturity or scheduled date for the payment thereof and (ii) the aggregate principal amount of Indebtedness (including the Indebtedness, if any, with respect to which there exists a default in payment) which becomes due prior to the stated maturity or scheduled date for payment (including for this purpose the full amount of Capitalized Lease Rentals) exceeds 5% of the aggregate principal amount of all consolidated Funded Debt at the time outstanding; or

(4) Rail or a Significant Subsidiary shall file a petition for relief under title 11 of the United States Code or seek relief under any provision of any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, or liquidation law of any jurisdiction, whether now or hereafter in effect, or shall consent to the filing of any such petition against it, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver, trustee, or liquidator of Rail or any such Significant Subsidiary, or action shall be taken by Rail or any such Significant Subsidiary in furtherance of any of the aforesaid purposes; or

(5) a decree or order for relief shall have been entered by a court of competent jurisdiction in any case commenced against Rail or a Significant Subsidiary under title 11 of the United States Code, or a decree or order shall have been entered by a court of competent jurisdiction adjudging Rail or a Significant Subsidiary a bankrupt or insolvent or approving as properly filed a petition seeking reorganization or arrangement of Rail or any such Significant Subsidiary under any federal or state law relating to bankruptcy or insolvency, or appointing a receiver or decreeing or ordering the winding up or liquidation of the affairs of Rail or any such Significant Subsidiary, and each such decree or order shall not have been discharged, stayed, or otherwise rendered ineffective within sixty (60) days after such entry; or

(6) any final judgment or judgments for the payment of money aggregating in excess of \$1 million is or are outstanding against one or more of Rail and the Subsidiaries and any one of such judgments has been outstanding for more than sixty (60) days from the date of its entry and has not been discharged in full or stayed; *provided, however*, that to the extent that the amount of any judgment is covered by insurance, which coverage has not been contested or disputed, such amount shall not be considered hereunder; or

(7) any order, judgment, or decree is entered in any proceedings against Rail or a Significant Subsidiary decreeing a divestiture of Rail or such Significant Subsidiary of, in the case of Rail, a Significant Subsidiary or, in the case of Rail or such Significant Subsidiary, 10% or more of the consolidated Tangible Assets of Rail, and such order, judgment, or decree remains unstayed and in effect for more than sixty (60) days; or

(8) Itel shall be in default of any of the provisions of the Stock Pledge Agreement, the Tax Allocation Agreement, or the Callback Trust Agreement; or

(9) Rail shall make or cause to be made an optional payment, prepayment, contribution to an optional sinking fund, or redemption prior to the proposed redemption date in respect of any Amended Trust Certificate or in favor of any ETC Holder in violation of the provisions of Section 2.02(c) hereinabove;

then, in any such case (herein also called an "Event of Default") and in case of an Event of Default under subsection 5.01(a) hereinabove, the Trustee in its discretion may, and upon the written request of (i) the holders of at least two-thirds ($\frac{2}{3}$), if such request is made with respect to an Event of Default under paragraph 5.01(a)(2) hereinabove or (ii) the holders of at least a majority, if such request is made with respect to an Event of Default under all other paragraphs of subsection 5.01(a) hereinabove or this subsection 5.01(b), in aggregate unpaid principal amount of the Amended Trust Certificates, the Trustee shall, by notice in writing delivered to Rail, declare to be due and payable forthwith the entire amount of the payments due and payable by Rail pursuant to paragraph 4.04(a)(3) hereinabove and not theretofore paid and all outstanding ETC Holder Deferrals.

(c)(1) Upon any acceleration pursuant to subsection 5.01(a) or 5.01(b) hereinabove, the entire amount of such payments shall forthwith become and shall be due and payable immediately without further demand, together with interest on the various Amended ETC Series at the rates set forth in Schedule 2 hereto; *provided, however*, that as long as Rail remains a wholly owned subsidiary of Itel, such payments shall not include any prepayment premium as set forth in any Trust Certificate or Amended Trust Certificate. Notwithstanding any of the foregoing, any holder of an Amended Trust Certificate shall have the immediate right to bring suit against Itel and Rail, or either of them (but in the case of Itel, only in accordance with the provisions of Article Three hereinabove), under their respective guarantees endorsed on the Amended Trust Certificates if there shall be a default in the payment by the Trustee to such holder pursuant to the provisions of Section 2.02 or 2.03 hereinabove.

(2) In case any one or more Events of Default shall occur, the Trustee in its discretion also may, and upon the written request of the holder or holders of the then outstanding Amended Trust Certificates, the written request of which would require the Trustee to accelerate payments under either subsection 5.01(a) or 5.01(b) hereinabove with respect to an Amended ETC Series Trust or all the Amended ETC Series Trusts, as the case may be, as a result of the occurrence of such Event of Default shall, by notice in writing delivered to Rail, declare the unpaid principal of all the Amended Trust Certificates in such affected Amended ETC Series or in all the Amended ETC Series, as the case may be, then outstanding to be due and payable, and thereupon the same shall become and be immediately due and payable, together with interest accrued thereon.

(3) In case Itel or Rail shall fail to make any payment when and as the same shall have become due and payable hereunder, and such default shall have continued for a period of ten (10) days, the Trustee in its own name and as trustee of one or more of the seven (7) express trusts hereunder, shall be entitled and empowered to institute any action or proceedings against Rail or, subject to the provisions of Article Three hereinabove, Itel, at law or in equity for the collection of the payments so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against Itel, subject to the provisions of Article Three hereinabove, or against Rail or any other obligor upon the Amended Trust Certificates and may collect the money adjudged or decreed to be payable, in the case of Itel (i) with respect to a default under Section 6.11 or 6.13 hereunder, out of the property of Itel wherever situated and (ii) with respect to any other default hereunder, out of the stock of Rail pledged by Itel pursuant to the Stock

Pledge Agreement, and in the case of Rail or any other obligor upon the Amended Trust Certificates with respect to any default hereunder, out of the property of Rail or any such obligor wherever situated.

(4) In the event that there shall be pending a case or proceedings for the bankruptcy or for the reorganization of Itel or Rail under title 11 of the United States Code or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of Itel or Rail, or in case of any other similar judicial proceedings relating to Itel or Rail, or to the creditors or property of Itel or Rail, the Trustee, irrespective of whether the rental payments hereunder or the unpaid principal amount of the Amended Trust Certificates shall then be due and payable as herein or therein expressed whether by declaration or otherwise and irrespective of whether the Trustee shall have made any demand or declaration pursuant to the provisions of this Section 5.01, shall be entitled and empowered, by intervention in such case or proceedings or otherwise, to file and prove a claim or claims for the entire amount of the rentals (not including rentals required for the payment of interest accruing after the date of such payment of all amounts due), and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation to the Trustee, its agents, attorneys, and counsel, and for reimbursement of all expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its gross negligence or wilful misconduct) and of the holders of the Amended Trust Certificates allowed in such case or proceedings and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute all amounts received with respect to the claims of the holders of the Amended Trust Certificates and of the Trustee on their behalf, and any receiver, assignee, or trustee in bankruptcy or reorganization is hereby authorized by each of the holders of the Amended Trust Certificates to make payments to the Trustee, and, in the event that the Trustee shall consent to the making of payments directly to the holders of the Amended Trust Certificates, to pay to the Trustee such amount (which to the extent necessary shall be deducted and paid from the amounts payable to such holders) as shall be sufficient to cover reasonable compensation to the Trustee, its agents, attorneys, and counsel, and all other expenses and liabilities incurred, and all advances made, by the Trustee except as a result of its gross negligence or wilful misconduct.

(5) All rights of action and to assert claims under this Agreement or under any of the Amended Trust Certificates may be enforced by the Trustee without the possession of this Agreement or of any of the Amended Trust Certificates or the production thereof in any trial or other proceedings relative thereto, and any action or proceedings instituted by the Trustee shall be brought in its own name as the trustee of an express trust, and any recovery of judgment shall be for the benefit of the ETC Holders as provided in Section 5.03 hereinbelow. In any case or proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Agreement to which the Trustee shall be a party) the Trustee shall be held to represent all the ETC Holders, and it shall not be necessary to make any ETC Holder a party to such case or proceedings.

(6) Nothing contained herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any ETC Holder any plan of reorganization, arrangement, adjustment, or composition affecting the Amended Trust Certificates or the rights of any holder thereof, or to authorize the Trustee to vote in respect of the claim of any ETC Holder in any such case or proceedings.

SECTION 5.02. Remedies. In case of the happening of any Event of Default, the Trustee may by its agents enter upon the premises of Rail and of any Affiliate of Rail or of any lessee (or other Person having acquired the use or possession of the Trust Equipment) where any of the Trust Equipment may be and take possession of all or any part of the Trust Equipment and withdraw the same from said premises, retaining all payments which up to that time may have been made on account of rental for the Trust Equipment and otherwise, and the same shall be entitled to collect, receive, and retain all unpaid per diem, incentive per diem, mileage, or other charges of any kind earned by the Trust Equipment or any part thereof, and may lease or otherwise contract for the use of the Trust Equipment or any part thereof; or the Trustee may with or without retaking possession (but only after declaring due and payable the entire amount of the rentals payable hereunder and the unpaid principal of all the then outstanding Amended

Trust Certificates as provided in Section 5.01 hereinabove), sell the Trust Equipment or any part thereof, free from any and all claims of Itel and Rail at law or in equity, in one lot and as an entirety or in separate lots, at a public or private sale for cash or upon credit in its discretion, and may proceed otherwise to enforce its rights and the rights of the holders of the then outstanding Amended Trust Certificates, all subject to any mandatory requirements of law applicable thereto. Upon any such sale, the Trustee itself may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as the Trustee may specify or as may be required by law, and without gathering at the place of sale the Trust Equipment to be sold, and in general in such manner as the Trustee may determine, but so that Itel and Rail may and shall each have a reasonable opportunity to bid at any such sale, and for such purpose, twenty (20) days prior written notice of such sale shall be deemed to be commercially reasonable. Upon such taking possession or withdrawal, lease, or sale of the Trust Equipment, Itel and Rail shall cease to have any rights or remedies in respect of the Trust Equipment hereunder, and all such rights and remedies shall be deemed thenceforth to have been waived and surrendered by Itel and Rail and no payments theretofore made by Itel or Rail for the rent or use of the Trust Equipment or any of it shall give to Itel or Rail any legal or equitable interest or title in or to the Trust Equipment or any of it or any cause or right of action at law or in equity in respect of the Trust Equipment against the Trustee or any ETC Holder (other than in respect of any surplus proceeds pursuant to the last sentence of subsection 5.03(b) hereinbelow). No such taking of possession, withdrawal, lease, or sale of the Trust Equipment by the Trustee shall be a bar to the recovery by the Trustee of rentals then or thereafter due and payable, or of principal and interest in respect of the Amended Trust Certificates, and (i) Rail shall be and remain liable for the same until such sums have been realized as, with the proceeds of the lease or sale of the Trust Equipment, shall be sufficient for the discharge and payment in full of all its obligations under this Agreement and (ii) Itel shall, subject to the provisions of Article Three hereinabove, be and remain liable for the same until the earlier of (x) the occurrence of the event specified in the foregoing clause (i) or (y) the termination of the Stock Pledge Agreement. In case of the happening of any Event of Default, the Trustee may exercise any right, power, or remedy hereunder or under the Stock Pledge Agreement, as the case may be, either against Rail, against Itel, or against both Rail and Itel. The exercise of any right, power, or remedy against Rail or Itel shall in no event be deemed to be a waiver by the Trustee to exercise any right, power, or remedy against the other or any other right, power, or remedy against the same party. In exercising any remedy hereunder or under the Stock Pledge Agreement, the Trustee shall endeavor to maximize recovery for the holders of the Amended Trust Certificates in all the seven (7) separate Amended ETC Series.

SECTION 5.03. *Application of Proceeds.*

(a) With respect to each Amended ETC Series Trust and Amended ETC Series, if the Trustee shall exercise any of the powers conferred upon it by Sections 5.01 and 5.02 hereinabove, all payments made to the Trustee, and the proceeds of any judgment collected by the Trustee, and the proceeds of every sale or lease by the Trustee of any of the Trust Equipment together with any other sums which may then be held by the Trustee under any of the provisions hereof (other than sums held in trust for the payment of specific Amended Trust Certificates or a part thereof, or interest thereon, as provided in Articles Two and Four hereinabove and this Article Five) shall be applied by the Trustee to the payment, in the following order and priority, of (i) all proper charges, expenses, or advances made or incurred by the Trustee in accordance with the provisions of this Agreement, with respect to such Amended ETC Series, or, if such charges, expenses, or advances are made or incurred with respect to more than one Amended ETC Series, a pro rata share of such charges, expenses, or advances, such share to be determined based on the aggregate unpaid principal amount of all such Amended ETC Series, (ii) principal of, and premium (if any), and interest on the Amended Trust Certificates in such Amended ETC Series then due and payable, whether by declaration of acceleration or otherwise, with interest on any overdue portion thereof at the rate set forth in Schedule 2 hereto, all such payments to be in full if such proceeds shall be sufficient, and if not sufficient, then pro rata without preference between principal and interest, and (iii) principal of, and premium (if any), and interest on, all Amended Trust Certificates in each Amended ETC Series then due and payable, whether by declaration of acceleration or otherwise, with interest on any overdue portion thereof at the rates set forth in Schedule 2 hereto, all such payments to be in full if such proceeds shall be

sufficient, and if not sufficient, then pro rata among such Amended ETC Series and, with respect to such Amended ETC Series, pro rata without preference between principal and interest.

(b) After all such payments in respect of all the outstanding Amended Trust Certificates shall have been made in full, the title to any of such Trust Equipment remaining unsold shall be conveyed by the Trustee to Rail, free from any further liabilities or obligations to the Trustee hereunder. If after applying all such sums of money realized by the Trustee as aforesaid there shall remain any amount due to the Trustee under the provisions hereof, Rail and, subject to the provisions of Article Three hereinabove, Itel, agree to pay the amount of such deficit to the Trustee. If after applying the sums of money realized by the Trustee as aforesaid there shall remain a surplus in the possession of the Trustee, such surplus shall be paid by the Trustee to Rail and, to the extent of indebtedness discharged by the proceeds of foreclosure on the stock of Rail pledged by Itel pursuant to the Stock Pledge Agreement, to Itel.

SECTION 5.04. *Waivers of Default.*

(a)(1) Prior to the declaration of the acceleration of the maturity of the rentals in respect of an Amended ETC Series Trust as provided in subsection 5.01(a) hereinabove and the maturity of all the Amended Trust Certificates representing the outstanding interests in such Amended ETC Series Trust as provided in subsection 5.01(c) hereinabove, the holders of not less than two-thirds ($\frac{2}{3}$) in aggregate unpaid principal amount of such Amended Trust Certificates may on behalf of the holders of all such Amended Trust Certificates waive by an instrument in writing delivered to the Trustee any past default and its consequences, except a default in the payment of any installment of rental payable pursuant to paragraphs 4.04(a)(3) through 4.04(a)(13), inclusive, hereinabove, but in no event shall any such waiver extend to or affect any subsequent default or impair any right consequent thereon.

(2) If at any time after the principal of all the Amended Trust Certificates in such Amended ETC Series shall have been declared and become due and payable as provided in Section 5.01 hereinabove, but before the scheduled final maturity thereof, all arrears of rent, with interest at the rates set forth in Schedule 2 hereto, the expenses and reasonable compensation of the Trustee, together with all expenses of the trusts occasioned by Itel's or Rail's default, and all other sums which shall have become due and payable by Itel or Rail hereunder shall be paid by Itel or Rail before any sale or lease by the Trustee of any of the Trust Equipment, and every other default shall be made good or secured to the satisfaction of the Trustee, or provision deemed by the Trustee to be adequate shall be made therefor, then, and in every case, the Trustee, if so requested in writing by the holders of a majority in aggregate unpaid principal amount of the Amended Trust Certificates, shall by written notice to Rail waive the default by reason of which there shall have been such declaration or declarations and the consequences of such default, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

(b)(1) Prior to the declaration of the acceleration of the maturity of the rentals and the maturity of all the Amended Trust Certificates as provided in subsection 5.01(b) hereinabove, the holders of not less than an aggregate unpaid principal amount of the Amended Trust Certificates sufficient to effect a waiver pursuant to the provisions of Section 10.03 hereinbelow may waive by an instrument in writing delivered to the Trustee any past default under subsection 5.01(b) hereinabove and its consequences, but in no event shall any such waiver extend to or affect any subsequent default or impair any right consequent thereon.

(2) If, at any time after the principal of all the Amended Trust Certificates shall have been declared and become due and payable as provided in subsection 5.01(b) hereinabove, but before the scheduled final maturity thereof, all arrears of rent, with interest at the rates set forth in Schedule 2 hereto, the expenses and reasonable compensation of the Trustee, together with all expenses of the trusts occasioned by a default hereunder, and all other sums which shall have become due and payable hereunder shall be paid before any sale or lease by the Trustee of any of the Trust Equipment, and every other default shall be made good or secured to the satisfaction of the Trustee, or provisions deemed by the Trustee to be adequate shall be made therefor, then, and in every case, the Trustee, if so requested in writing by the holders of a majority in aggregate unpaid principal amount of the Amended Trust Certificates, shall by written notice to Rail waive the default by reason of which there shall have been such declaration or declarations and the consequences of such default, but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 5.05. *Obligations of Itel and Rail not Affected by Remedies.*

(a) No retaking of possession of the Trust Equipment by the Trustee or any withdrawal, lease, or sale thereof, nor any action or failure or omission to act against Itel and/or Rail, as the case may be, or in respect of such Trust Equipment on the part of the Trustee or on the part of the holder of any Amended Trust Certificate, nor any delay or indulgence granted to Itel and/or Rail by the Trustee or by any such holder, shall affect the obligations of Rail and, subject to the provisions of Article Three hereinabove, Itel, hereunder or the obligations of Rail and, subject to the provisions of Article Three hereinabove, Itel, under their respective guarantees endorsed on the Amended Trust Certificates.

(b) Itel and Rail each hereby waives presentation and demand in respect of any of the Amended Trust Certificates and waives notice of presentation, demand, and any default in the payment of the principal of and interest on the Amended Trust Certificates.

SECTION 5.06. *Rail to Deliver the Trust Equipment to the Trustee.* In case an Event of Default shall occur and be continuing and the Trustee shall demand possession of any of the Trust Equipment, Rail shall, as soon as possible and at its own expense, cause such Trust Equipment to be drawn to such point or points as shall reasonably be designated by the Trustee and shall there deliver or cause to be delivered the same to the Trustee, or, at the option of the Trustee, the Trustee may keep such Trust Equipment, at the expense of Rail, on any lines of railroad or premises approved by the Trustee until the Trustee shall have leased, sold, or otherwise disposed of the same. The performance of the foregoing covenant is of the essence of this Agreement, and upon application to any court having jurisdiction in the premises, the Trustee shall be entitled to a decree against Rail, requiring the specific performance thereof.

SECTION 5.07. *The Trustee to Give Notice of Default.* The Trustee shall give to each holder of an Amended Trust Certificate notice of each Default or Event of Default hereunder actually known to the Trustee at its Corporate Trust Office, within thirty (30) days after it so learns of the same, unless remedied or cured before the giving of such notice.

SECTION 5.08. *Control by Holders of Amended Trust Certificates.* The holders of a majority in aggregate unpaid principal amount of (a) the then outstanding Amended Trust Certificates of an Amended ETC Series, by an instrument or instruments in writing executed and delivered to the Trustee, shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee with respect to such holders or with respect to the Amended ETC Series Trust in which the holders in such Amended ETC Series hold all the outstanding interests or (b) all outstanding Amended Trust Certificates, by an instrument or instruments in writing executed and delivered to the Trustee, shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee with respect to all the Amended ETC Series Trusts or all the ETC Holders; *provided, however*, that a direction to the Trustee made pursuant to the provisions of this clause (b) with respect to the Trust Equipment in an Amended ETC Series Trust shall have no effect; and *provided further, however*, that the Trustee shall have the right to decline to follow any such direction (i) if the Trustee shall be advised by counsel that the action so directed may not lawfully be taken or (ii) if the Trustee shall be advised by counsel that the action so directed may involve it in personal liability as to which the ETC Holders have not agreed fully to indemnify the Trustee. The Trustee may take any other action deemed proper by the Trustee which is not inconsistent with any such direction hereunder.

SECTION 5.09. *Remedies Cumulative or Exclusive; Subject to Mandatory Requirements of Law.* With respect to a default by Itel resulting from its failure or refusal to comply with the provisions of Section 6.11 or 6.13 hereinbelow or with respect to a default by Rail, the remedies in this Agreement provided in favor of the Trustee and the ETC Holders, or any of them, shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in their favor existing at law or in equity, and such remedies so provided in this Agreement shall be subject in all respects to any mandatory requirements of law at the time applicable thereto, to the extent such requirements may not be waived on the part of Itel or Rail. With respect to any other default by Itel, the remedies provided in favor of the Trustee and the ETC Holders, or any of them, hereunder and in the Stock Pledge Agreement shall be exclusive.

SECTION 5.10. *Delay or Omission Not Waiver.* No delay or omission of the Trustee or of any holder of an Amended Trust Certificate to exercise any right, power, or remedy accruing upon any Default or Event of Default shall impair any such right, power, or remedy or constitute a waiver of any such Default or Event of Default or an acquiescence therein. Every right, power, and remedy given by this Article Five or by law to the Trustee or to such holder may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by such holder, as the case may be.

SECTION 5.11. *Rights of ETC Holders to Receive Payment.* Notwithstanding any other provision of this Agreement, but subject to the provisions of Article Three hereinabove, the right of any holder of an Amended Trust Certificate from and after the Effective Date to receive payment of principal and interest with respect thereto and pursuant hereto, on or after the respective due dates expressed in the Amended Trust Certificate as modified herein, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder.

ARTICLE SIX

ADDITIONAL AGREEMENTS OF ITEL AND RAIL

SECTION 6.01. *Guarantees of Rail and Itel.*

(a) Rail, unconditionally, and Itel, subject to the provisions of Article Three hereinabove, covenant, agree, and guarantee that the holders of each of the Amended Trust Certificates shall receive all amounts due hereunder in such coin or currency of the United States of America as, at the time of payment, shall be legal tender for the payment of public and private debts, when and as the same shall become due and payable, in accordance with the provisions thereof and of this Agreement (and, if not so paid, with interest thereon until paid at the respective rates set forth on Schedule 2 hereto). In case any amount due hereunder is not punctually paid as provided herein, Rail and, subject to the provisions of Article Three hereinabove, Itel, hereby agree to cause such payment to be made punctually when and as the same shall become due and payable, whether at maturity, upon acceleration or otherwise, as if such payment were made as provided herein. Itel and Rail hereby agree that their obligations hereunder shall be unconditional (except, as to Itel, as provided in Article Three hereinabove), irrespective of the validity, regularity, or enforceability of any or all of the Amended Trust Certificates, or the absence of any action to enforce the same, the waiver or consent by the holder of any Amended Trust Certificate, Itel, Rail, or the Trustee with respect to any provisions thereof or of this Agreement, the recovery of any judgment against any Person or any action to enforce the same, or, subject to the provisions of Article Three hereinabove, any other circumstances which might otherwise constitute a legal or equitable discharge or defense of a guarantor and, subject to the provisions of Article Three hereinabove, irrespective of any other circumstances which might otherwise limit recourse by the holder of any Amended Trust Certificate. Itel, subject to the provisions of Article Three hereinabove, and Rail hereby waive diligence, presentment, demand of payment, filing of claims with a court in the event of any proceeding with respect to the rentals or other properties received by the Trustee hereunder, protest, or notice of any kind with respect to each Amended Trust Certificate or the interest evidenced thereby and all demands whatsoever, and Itel, subject to the provisions of Article Three hereinabove, and Rail hereby covenant that their guarantees will not be discharged except (i) by payment as herein provided and then only to the extent of such payment or (ii) with respect to Itel's guarantee, pursuant to the terms and conditions of the Stock Pledge Agreement.

(b) Itel and Rail agree to endorse upon each of the Amended Trust Certificates (whenever required by the terms hereof), at or before the execution and delivery thereof by the Trustee, their respective guarantees of the prompt payment of the amounts set forth on Schedule 2 hereto, in substantially the forms set forth in Exhibit A hereto. Said guarantees so endorsed shall be signed in the names and on behalf of Itel and Rail, respectively, by the manual signatures of the President, any Vice President, the Treasurer or any other officers of Itel and Rail, respectively, authorized by their respective Boards of Directors. In case

any such officer of Itel or Rail, respectively, whose signature shall appear on either of said guarantees shall cease to be such officer before any Amended Trust Certificate shall have been issued and delivered by the Trustee or shall not have been acting in such capacity on such date, such guarantee shall nevertheless be as effective and binding upon Itel or Rail, as the case may be, as though the person who signed said guarantee had not ceased to be or had been such an officer.

SECTION 6.02. *Delivery by Rail of Financial Statements and Other Reports.* Rail agrees that, as long as there shall be an Amended Trust Certificate outstanding, Rail shall, subject to there being in full force and effect a confidentiality agreement substantially in the form set forth in Exhibit H-1 hereto, binding upon the Trustee and each ETC Holder to whom the information set forth below is delivered, deliver to the Trustee and to each ETC Holder (in each case in duplicate if requested in writing in advance):

(a) as soon as practicable after the end of each fiscal quarter (except the last fiscal quarter) in each fiscal year of Rail and in any event within sixty (60) days thereafter, a consolidated balance sheet of Rail and the Subsidiaries as at the end of such quarter, and the related consolidated statements of income and changes in the financial position of Rail and the Subsidiaries for such quarter and for the period from the beginning of such fiscal year to the end of such quarter, setting forth in each case in comparative form figures for the corresponding periods of the previous fiscal year, certified by the chief financial officer of Rail as (i) presenting fairly the consolidated financial position of Rail and the Subsidiaries as at the end of such fiscal quarter and the consolidated results of operations and changes in the financial position of Rail and the Subsidiaries for the periods ended on such date (subject to changes resulting from normal year-end audit adjustments) and (ii) having been prepared in accordance with generally accepted accounting principles, or ICC Accounting Principles where applicable, consistently applied throughout the periods referred to therein (except for such changes in accounting principles as are disclosed therein and are concurred in by the then current independent certified public accountants of Rail);

(b) as soon as practicable after the end of each fiscal year of Rail and in any event within one hundred twenty (120) days thereafter, (i) a consolidated balance sheet of Rail and the Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income and changes in financial position of Rail and the Subsidiaries for such year, setting forth in each case in comparative form figures for the previous fiscal year, reported on by independent certified public accountants as presenting fairly the consolidated financial position of Rail and the Subsidiaries as at the end of such fiscal year and the consolidated results of operations and changes in financial position of Rail and the Subsidiaries for such year in accordance with generally accepted accounting principles, or ICC Accounting Principles where applicable, consistently applied throughout the periods referred to therein (except for such changes in accounting principles as are disclosed therein and as are concurred in by such independent certified public accountants), the report of such independent certified public accountants not to be qualified or limited because of restricted or limited examination by such independent certified public accountants of any portion of the records of Rail or any Subsidiary, and concurrently with the delivery of these annually required financial statements a certificate of the independent certified public accountants who audited such statements stating (A) that they have reviewed Rail's computation of the portion of the Prepayment Withheld Amount that is to be deferred pursuant to paragraphs 4.04(a)(4) and 4.04(b)(2) hereinabove and the portion of the Postpayment Withheld Amount that is to be deferred pursuant to paragraphs 4.04(a)(5) and 4.04(b)(2) hereinabove and that such computations conform to the provisions of such paragraphs and (B) that in making the examination necessary for such audit (but without any special or additional examination procedures for the purpose of giving such certificate) they obtained no knowledge of any unwaived Default or Event of Default of Rail, or if they shall have obtained knowledge of any such Default or Event of Default of Rail, specifying the same, it being understood that such independent certified public accountants shall have no liability for failing to obtain such knowledge, (ii) for each Subsidiary whose gross revenue is equal to not less than 10% of consolidated gross revenue of Rail at the close of such year, an Officer's Certificate signed by the chief financial officer of Rail setting forth the gross revenue, operating expenses, and marketing, general, and administrative expenses of such Subsidiary for such year, and (iii) for each Subsidiary whose Tangible Assets are equal to not less than 5% of consolidated Tangible Assets of Rail at the close of such year, an Officer's Certificate signed by the chief financial officer of Rail setting forth the gross revenue, operating expenses, and marketing, general, and administrative expenses and a balance sheet of such Subsidiary for such year;

(c) within sixty (60) days prior to each January 1 and July 1, Rail's projected consolidated operating budget and cash flow and the debt amortization schedules (by instrument) of Rail and the Subsidiaries for the fiscal year of Rail which includes such January 1 or July 1, as the case may be, and Rail's projection of the Withheld Amounts, made pursuant to the provisions of paragraph 4.04(b)(1) hereinabove, such projections to be in reasonable detail and accompanied by an Officer's Certificate of the chief financial officer of Rail to the effect that such projections have been prepared in good faith, with reasonable underlying assumptions, including projections of Utilization Rates (which assumptions shall be stated therein) and that such officer has no reason to believe they are incorrect or misleading in any material respect;

(d) as soon as practicable after the end of each fiscal quarter and in any event within ninety (90) days thereafter, a schedule setting forth the Utilization Rate during such quarter of each class of (i) the Trust Equipment, separately providing such information for each Amended ETC Series Trust and for each class of Trust Equipment in each Amended ETC Series Trust and (ii) the Trust Equipment and Non-ETC Railcars on a fleetwide basis;

(e) concurrently with the delivery of the financial statements required by subsection 6.02(b) hereinabove, an Officer's Certificate, providing as of the preceding December 31, (i) a statement of the amount, description, and numbers of the units of Trust Equipment in each Amended ETC Series Trust and Non-ETC Railcars that have (A) suffered a Casualty Occurrence or (B) been withdrawn from service for repair or because they were in need of repair (other than for running repairs) since the date of the last preceding statement (or the date of this Agreement in the case of the first statement), (ii) an identification of the units of Equipment then being leased by Rail as lessor and as permitted hereunder (including the name of each lessee, the term of each lease, Lease, or Sublease, as the case may be, the date of each agreement pursuant to which such Equipment is leased, and the date of filing of each Lease, Sublease, and corresponding Lease Assignment with respect thereto with the Interstate Commerce Commission) and specifying which units of Trust Equipment and Non-ETC Railcars are not then being leased by Rail, and (iii) a certification that as of such date no Default or Event of Default under any provision of this Agreement exists or specifying all such Defaults and Events of Default and the action being taken by Rail to remedy the same;

(f) concurrently with the delivery of the financial statements required by subsections 6.02(a) and 6.02(b) hereinabove for the end of the second fiscal quarter and the end of the fiscal year of Rail, respectively, an Officer's Certificate (A) to the effect that all maintenance, including replacement of Rail Components, required to be performed on any railroad car owned or leased by Rail or any Subsidiary in order that it be kept in a reasonable state of repair has been performed during the previous two fiscal quarters and (B) stating the Bad Order Ratio during such six month period and stating that such Bad Order Ratio does not exceed the Bad Order Ratio Limit;

(g) concurrently with the delivery of the financial statements required by subsection 6.02(b) hereinabove, an Officer's Certificate from the chief financial officer of Rail stating that Rail has not prepaid any expenses of Rail or any Subsidiary except in the ordinary course of business;

(h) concurrently with the delivery of the projections required by subsection 6.02(c) hereinabove, an Officer's Certificate from the chief financial officer of Rail setting forth, for each ETC Holder, the amount withheld during that Withholding Period and from the beginning of such year to the end of such Withholding Period, and the aggregate amount deferred pursuant to paragraph 4.04(b)(2) hereinabove in respect of each ETC Holder's holdings, in each case with respect to each Amended ETC Series;

(i) as soon as possible and in any event no later than five (5) Business Days after it shall have knowledge of such event, give written notice to the Trustee and to each ETC Holder of:

(i) the occurrence of any Default or Event of Default specifying the exact nature of such Default or Event of Default, and

(ii) the commencement of any material litigation or proceedings affecting Rail or any Subsidiary and the existence of any threatened litigation or proceedings, known to an officer of Rail, between Rail or any Subsidiary and any governmental authority or any other party if such litigation or

proceeding might result in any materially adverse change in the business, prospects, condition (financial or otherwise), or the properties and assets of Rail and the Subsidiaries taken as a whole;

(j) within sixty (60) days after the renewal date for any policy of insurance, an insurer's certificate as to the insurance then carried with respect to the Trust Equipment and any other evidence reasonably requested by the Trustee to the effect that the insurance then carried with respect to the Trust Equipment complies with the terms hereof; and

(k) such additional financial and other information as the Trustee or any ETC Holder may from time to time reasonably request.

SECTION 6.03. *Inspection of Rail Properties; Additional Information.* Rail agrees that, as long as there shall be an Amended Trust Certificate outstanding, Rail shall, subject to there being in effect a confidentiality agreement substantially in the form set forth in Exhibit H-1 hereto, binding upon the Trustee and any ETC Holder seeking to make an inspection and/or acquire the information as provided for below:

(a) permit the Trustee, by its agents or representatives (including the independent third party specified in Schedule 7 hereto) once in each calendar year, to inspect, at the expense of Rail, the Trust Equipment and the properties of Rail (including, without limitation, the Non-ETC Railcars) in order to determine whether Rail is in compliance with the provisions of Section 4.08 hereinabove, and to cooperate fully with the Trustee and any such agent or representative in the making of such inspection, the Trustee being under no duty to make or cause to be made such an inspection in any particular year, and the waiver or failure by the Trustee to make such an inspection in any one year not being deemed to be or constitute a waiver by the Trustee to make such an inspection in any other year; *provided, however*, that (i) Rail shall not be obligated to pay for any such inspection unless (A) the holders of more than one-third ($\frac{1}{3}$) in aggregate unpaid principal amount of the Amended Trust Certificates shall direct the Trustee to make or cause to be made such inspection, and then only at a cost not to exceed the Inspection Amount or (B) the holders of at least a majority in aggregate unpaid principal amount shall direct the Trustee to make or cause to be made such inspection after having reviewed the results of an inspection made pursuant to clause (A) above, and then only at an additional cost not to exceed the Inspection Amount, (ii) Rail shall not be obligated to interrupt the user of any unit of Non-ETC Railcars or Trust Equipment in normal operations, (iii) such inspection shall not unreasonably interfere with the operations and business of Rail, and (iv) Rail shall not be liable for any injury to, or the death of, any agent or employee of the Trustee incurred while exercising any such right to inspect the properties of Rail pursuant to the provisions of this subsection 6.03(a), except if such injury or death is caused by the negligence or wilful misconduct of Rail or any employee of Rail;

(b) permit any authorized representatives of any holder or group of holders of the Amended Trust Certificates or the Trustee, at the expense of such holder or holders or the Trustee, as the case may be, to visit and inspect any of the Trust Equipment or the properties of Rail or any Subsidiary, to examine the corporate books and financial records of Rail or such Subsidiary and make copies thereof or extracts therefrom, to discuss Rail's utilization schedules, maintenance schedules, or the state of repair of any unit or units of Equipment with any field officer or representative of Rail or any Subsidiary, and to discuss the affairs, finances, and accounts of Rail or such Subsidiary with the principal officers of Rail at such times during normal business hours and as often as such ETC Holder or the Trustee may reasonably request upon reasonable notice; *provided, however*, that (i) Rail shall not be obligated to interrupt the user of any unit of Non-ETC Railcars or Trust Equipment in normal operations, (ii) such inspections shall not unreasonably interfere with the operations and business of Rail, (iii) Rail shall not be liable for any injury to, or the death of, any agent or employee of such holder or holders or the Trustee incurred while exercising any such right of inspection made pursuant to the provisions of this subsection 6.03(b), except if such injury or death is caused by the negligence or wilful misconduct of Rail or any employee of Rail, and (iv) upon the non-compliance by Rail with the provisions of subsection 6.02(f) hereinabove, Rail shall bear the expense of any such visit and inspection; and

(c) deliver to any ETC Holder, in duplicate if requested in writing, such additional information with respect to the business and/or operations of Rail requested by such ETC Holder including, without limitation, (i) copies of all management letters prepared by the independent certified public accountants of

Rail for the Board of Directors of Rail or any committee thereof or the senior management of Rail, (ii) projections of capital expenditures for Rail's current budgeting year, and, if complete, for the immediately succeeding budgeting year, and (iii) a schedule setting forth the Utilization Rate for each month of each class of (A) Trust Equipment, separately providing such information for each Amended ETC Series Trust and for each class of Equipment in each Amended ETC Series Trust, and, (B) on a fleetwide basis, all railroad cars owned or leased by Rail, such information to be delivered by Rail to such ETC Holder promptly, but in no event later than thirty (30) days from the date such request is delivered to Rail, except that with respect to the delivery of Utilization Rate information as provided in clause (iii) above Rail shall deliver such information within ninety (90) days from the date such request is delivered to Rail.

SECTION 6.04. *Delivery by Itel of Financial Statements and Other Reports.* Itel agrees that, as long as it has any obligation under the Callback Trust Agreement, it shall, subject to there being in effect a confidentiality agreement substantially in the form set forth in Exhibit H-2 hereto, binding upon the Trustee and any ETC Holder to whom the information set forth below (except that provided for in subsection 6.04(a) hereinbelow) is to be delivered, deliver to the Trustee and to each ETC Holder, (in each case in duplicate if requested in writing in advance):

(a) promptly upon their becoming available, each financial statement, report, notice, or proxy statement sent by Itel to Itel's stockholders generally, and each regular or periodic report and any final registration statement or final prospectus filed by Itel with any securities exchange or the SEC;

(b) as soon as available, and in any event within one hundred twenty (120) days after the end of each fiscal year of Itel, an Officer's Certificate signed by the chief financial officer of Itel stating that a review of the activities of Itel, Rail, and Itel's other subsidiaries during such year has been made under his supervision to determine whether Itel has kept, observed, performed, and fulfilled all its obligations under this Agreement, the Tax Allocation Agreement, and the Callback Trust Agreement, and that to the best of his knowledge, Itel during such year has kept, observed, performed, and fulfilled each and every covenant, obligation, and condition contained herein and therein (including detailed calculations required in order to establish whether Itel was in compliance with such requirements) or if Itel shall have been or shall be in Default, specifying all such Defaults and the nature and status thereof;

(c) as soon as available after the end of each of the first three (3) quarterly fiscal periods in each fiscal year of Itel, and in any event within sixty (60) days thereafter, in comparative form with the preceding year's quarterly fiscal period, each of (A) a consolidated balance sheet of Itel and (B) a consolidated income statement of Itel, all as at the end of such quarter and in the case of the second and third quarters for that portion of the fiscal year ending with such quarter, in reasonable detail, accompanied in each case by a detailed breakdown by business segment of the balance sheet and income statement referred to in clauses (A) and (B) above, all certified by the chief financial officer of Itel that such statements fairly reflect the results of such period, including all adjustments which are, in the opinion of such officer, necessary to a fair statement of such results;

(d) as soon as available, and in any event within one hundred twenty (120) days after the end of each fiscal year of Itel, in comparative form with the preceding fiscal year, the consolidated balance sheet of Itel as at the end of such fiscal year and the consolidated statement of retained earnings, income, and changes in financial position of Itel for such fiscal year, each of the annual consolidated balance sheets, statements of retained earnings, statements of financial condition, and income statements delivered pursuant to this subsection 6.04(d) to be prepared in reasonable detail, in accordance with generally accepted accounting principles, and to be accompanied by (1) a report and opinion of independent certified public accountants of nationally recognized standing and selected by Itel and (2) a certificate of such accountants who certify the financial statements of Itel (A) stating that in making the examination necessary for such audit (but without any special or additional examination for the purpose of giving such certificate) they obtained no knowledge of any unwaived Default or Event of Default of Itel, or if they shall have obtained such knowledge of any such Default or Event of Default, specifying the same, it being understood that such independent certified public accountants shall have no liability for failing to obtain such knowledge, (B) stating whether all payments required to be made by Itel under both the Callback

Trust Agreement and the Tax Allocation Agreement have been made, and (C) confirming the correctness of the certificates for such year delivered in accordance with subsection 6.04(e) hereinbelow;

(e) as soon as available after the end of each fiscal quarter in each fiscal year of Itel, and in any event within sixty (60) days thereafter, an Officer's Certificate signed by the chief financial officer of Itel setting forth in reasonable detail the amounts charged by Itel to Rail as Rail Corporate Overhead Expenses during such immediately preceding fiscal quarter and determined to be allocable to Rail in accordance with the application of the criteria set forth on Schedule 4 hereto;

(f) concurrently with the delivery of the financial statements required by subsection 6.04(d) hereinabove, an Officer's Certificate stating that Itel has complied with all the provisions of the Tax Allocation Agreement; and

(g) such other data and information as from time to time may be reasonably requested by the Trustee or any ETC Holder.

SECTION 6.05. Access to Itel. Itel agrees that, as long as it has any obligation under the Callback Trust Agreement, it shall, subject to there being in effect a confidentiality agreement in substantially the form set forth in Exhibit H-2 hereto, binding upon the Trustee and any ETC Holder seeking to make an inspection and/or acquire the information as provided for in this Section 6.05, permit any authorized representatives of the Trustee or, any time after Rail has made a Restricted Payment pursuant to the provisions of subsection 7.04(a) hereinbelow, any holder or group of holders of the Amended Trust Certificates, at the expense of the Trustee or such holder or holders, as the case may be, to examine the corporate books and financial records of Itel and Itel's subsidiaries and make copies thereof or extracts therefrom and to discuss the affairs, finances, and accounts of any such corporations with the principal officers of Itel and Itel's subsidiaries, all at such reasonable times and as often as the Trustee or such holder or holders may reasonably request on reasonable notice; *provided, however*, that such inspections shall not unreasonably interfere with the operations and business of Itel.

SECTION 6.06. Discharge of Liens. Rail agrees that, as long as there shall be an Amended Trust Certificate outstanding, it will pay and discharge, or cause to be paid and discharged, or make adequate provision for the satisfaction or discharge of, any debt, tax, charge, assessment, obligation, or claim which if unpaid might become a lien, charge, security interest, or other encumbrance upon or against any of the Trust Equipment or its rights under any Lease or Sublease thereof. This provision shall not require the payment of any such debt, tax, charge, assessment, obligation, or claim so long as, after written notice by Rail to the Trustee, the validity thereof shall be contested in good faith and by appropriate legal proceedings (and proper reserves therefor shall have been established if required by Rail's independent certified public accountants); *provided, however*, that such contest will not materially endanger the rights or interests of the Trustee or of any ETC Holder hereunder or under any Lease, Sublease, or Lease Assignment and Rail shall have furnished the Trustee with an Opinion of Counsel to such effect. If Rail does not forthwith pay and discharge, or cause to be paid and discharged, or make adequate provision for the satisfaction or discharge of, any such debt, tax, charge, assessment, obligation, or claim on any unit of the Trust Equipment in any Amended ETC Series Trust as required by this Section 6.06, the Trustee may, but shall not be obligated to, pay and discharge the same, and any amount so paid shall be secured by such Trust Equipment until reimbursed by Rail with interest at the Prime Rate.

SECTION 6.07. Filing.

(a) Rail agrees that, as long as there shall be an Amended Trust Certificate outstanding, it will, at its expense, promptly and in any event within five (5) Business Days after the execution and delivery of this Agreement, each Lease, Sublease, Lease Assignment, and supplement or amendment hereto or thereto, execute, acknowledge, deliver, file, register, and record all instruments and will refile, reregister, and rerecord any and all further instruments required by the laws of the United States of America, any state thereof, or the District of Columbia or reasonably requested by the Trustee for the purposes of proper protection of the title of the Trustee and the rights of the ETC Holders and of fully carrying out and effectuating the provisions of this Agreement and the intent hereof and from time to time shall provide such Opinions of Counsel as may be reasonably requested by the Trustee with respect to such matters.

(b) Promptly after the execution and delivery of this Agreement, each Lease, Sublease, Lease Assignment, and supplement or amendment hereto or thereto, Rail will furnish to the Trustee an Opinion of Counsel stating that, in the opinion of such counsel, such document has been properly deposited, filed, registered, and recorded, and refiled, reregistered, and rerecorded, if necessary, so as effectively to protect the title of the Trustee to the Trust Equipment and with respect to the filing of such Lease Assignment, the security interest of the Trustee in the Lease or Sublease covered by such Lease Assignment under the laws of the United States of America, any state thereof, or the District of Columbia and its rights and the rights of the holders of the Amended Trust Certificates hereunder and thereunder and reciting the details of such action and that, in the case of any Lease or Sublease, the rights of the lessee thereunder are subject and subordinate to the rights of the Trustee hereunder.

(c) Rail will furnish to the Trustee on or before each April 30 hereafter an Opinion of Counsel stating:

(i) that, in the opinion of such counsel, (A) such filing and recording as described in this Section 6.07 have been made and other action taken as is necessary or advisable to protect, perfect, and maintain the protection and perfection of, in any state of the United States and the District of Columbia, the title of the Trustee to the Trust Equipment, the security interest of the Trustee in each Lease and Sublease, and its rights and the rights of the holders of the Amended Trust Certificates hereunder and under the Lease Assignment pertaining thereto and reciting the details of such action, or (B) no such action is necessary or advisable to protect, perfect, and maintain the protection and perfection of, in any state of the United States or the District of Columbia, the title of the Trustee to the Trust Equipment, the security interest of the Trustee in each Lease and Sublease and its rights and the rights of the holders of the Amended Trust Certificates hereunder and under the Lease Assignment pertaining thereto;

(ii) such action, if any, as is necessary or advisable during the next succeeding eighteen (18) months to protect, perfect, and maintain the protection and perfection of, in any state of the United States and the District of Columbia, the title of the Trustee to the Trust Equipment, the security interest of the Trustee in each Lease and Sublease and its rights and the rights of the holders of the Amended Trust Certificates hereunder and under the Lease Assignment pertaining thereto; and

(iii) if, pursuant to this Section 6.07, any Uniform Commercial Code filings have been made, the necessity or advisability of any continuation statements with respect thereto.

SECTION 6.08. *Preservation of Corporate Existence; Compliance with Law; Insurance; etc.* Rail agrees that, as long as there shall be an Amended Trust Certificate outstanding, it shall and shall cause each Subsidiary to:

(a) (i) unless a Transaction is effected pursuant to the provisions of paragraph 7.06(a)(2) or subsection 7.06(b) or 7.06(c) hereinbelow, maintain and keep in full force and effect its corporate existence, rights, and franchises necessary or useful to the proper conduct of its business; *provided, however*, that nothing contained in this clause (i) shall require the maintenance, preservation, or renewal of any right or franchise not necessary or desirable in the conduct of the business of Rail or a Subsidiary, as the case may be, if termination of such right or franchise is, in the opinion of Rail, in the best interests of Rail or such Subsidiary and will not materially adversely affect Rail's ability to perform its obligations hereunder, (ii) comply with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including, without limitation, ERISA and, subject to Section 7.02 hereinbelow, payment and discharge at or before their maturity of all taxes, assessments, and governmental charges or levies imposed upon its assets), (iii) subject to Section 7.02 hereinbelow, discharge at or before their maturity, all claims or demands of materialmen, mechanics, carriers, warehousemen, landlords, and other like Persons which, if unpaid, might result in the creation of a Lien upon its assets; *provided, however*, that nothing contained in clauses (ii) and (iii) above shall require compliance with any laws so long as the validity or applicability thereof shall be disputed or contested in good faith by appropriate proceedings as long as such contest will not materially endanger the rights or interests of the Trustee or of any ETC Holder hereunder or under any Lease, Sublease, or Lease Assignment, and (iv) maintain in good condition, working order, and repair all its physical assets necessary to the proper conduct of its business; *provided, however*, that, except as required by subsection 4.08(a) hereinabove, as long as Rail or a Subsidiary in good faith seeks to require compliance with leases, Leases, and Subleases pursuant to the

terms of which the lessees thereof have undertaken such obligations, neither Rail nor any Subsidiary shall be obligated under this clause (iv) with respect to property subject to such leases, Leases, and Subleases until Rail or such Subsidiary shall have knowledge of a lessee's breach of such undertaking; and *provided further, however*, that, nothing in this clause (iv) shall prevent Rail or a Subsidiary from selling, abandoning, or otherwise disposing of any property whenever, in the good faith judgment of Rail or such Subsidiary, such disposition is in the best interests of Rail or such Subsidiary and would not violate or cause to be violated any other covenant contained herein;

(b) maintain insurance on its tangible insurable property, real and personal, at all times in such form and in such amounts and against such risks as are customarily insured against by Persons in similar businesses, in every case under a policy with a good and reputable insurance company and only with such deductibles as are customary (except, subject to the other provisions hereof, to the extent that Rail or such Subsidiary in the exercise of prudent business judgment determines to be self-insured); *provided, however*, that, except as required by subsection 4.08(e) hereinabove, as long as Rail or a Subsidiary in good faith seeks to require compliance with leases, Leases, and Subleases pursuant to the terms of which the lessees thereof have undertaken such obligations, neither Rail nor any Subsidiary shall be obligated under this subsection 6.08(b) with respect to property subject to such leases, Leases, and Subleases until Rail or such Subsidiary shall have knowledge of a lessee's breach of such undertaking, and Rail shall, upon the request of the Trustee or any ETC Holder, submit evidence of the maintenance of the insurance required by this subsection 6.08(b);

(c) keep proper books of record and accounts in which proper entries, in each case in accordance with generally accepted accounting principles or ICC Accounting Principles, where applicable, shall be made of all dealings and transactions in relation to its business and activities;

(d) engage in substantially the same business it was engaged in on the Effective Date; and

(e) use assumptions and methods to determine the actuarial valuation of vested employee benefits under any plan and the present value of assets of any such plan which are reasonable in the good faith judgment of Rail or the Subsidiary involved and which comply with all requirements of law, and not knowingly permit any such plan maintained by it or each Subsidiary to (1) engage in any "prohibited transaction," as such term is defined in Section 4975 of the Internal Revenue Code of 1954, as amended, which would result in liability in a material amount of Rail or any Subsidiary for any tax pursuant to such Section, (2) incur any "accumulated funding deficiency," as such term is defined in Section 302 of ERISA, whether or not waived, or (3) be terminated in a manner which would result in the imposition of a Lien on the property of Rail or any Subsidiary pursuant to Section 4068 of ERISA.

SECTION 6.09. *Management of Rail.* Itel agrees that, as long as there shall be an Amended Trust Certificate outstanding, Itel will take no action which would materially prejudice Rail's capability of being operated as an entity independent of any managerial or administrative support furnished by Itel, as such capability existed under the management structure of Itel and Rail on the Effective Date.

SECTION 6.10. *The Ancillary Agreements.* Itel and Rail jointly and severally agree that they shall (i) comply with the provisions of the Tax Allocation Agreement, the Stock Pledge Agreement, and the Callback Trust Agreement to the extent applicable and (ii) notify immediately any indenture trustee for any of the Reorganization Securities of the occurrence of any fact known to Itel or Rail which would prohibit the making of any payment of moneys to or by such trustee in respect of such Reorganization Securities pursuant to the subordination provisions thereof.

SECTION 6.11. *Callback of Restricted Payments.* Itel agrees that, as long as it has any obligation under the Callback Trust Agreement, if for any year during the period 1983 through 1994, inclusive, Cumulative Cash Flow through the end of such year, less the Prepayment Withheld Amount would be less than \$9 million for such year and within the five (5) year period preceding the beginning of such year Rail made Restricted Payments to Itel and/or the Callback Trustee pursuant to the provisions of subsection 7.04(a) hereinbelow (each such year when both such conditions exist being referred to herein as a "Callback Year"), Itel shall make or cause to be made on the Annual Payment Date for such Callback Year a cash capital contribution to Rail in an amount equal to the lesser of (i) the Callback Amount for such year or (ii) the Total Callback Amount for such year less the aggregate of all amounts retained by the Callback Trustee as the Trust Fund at the close of such year.

SECTION 6.12. *Corporate Opportunities of Rail.* Itel agrees that any business related to the operation of Class II or Class III Railroads (as designated by the rules and regulations of the Interstate Commerce Commission), the leasing of railroad cars, and short distance truck hauling to or from rail terminals, engaged in by Itel or an Affiliate of Itel will be conducted by Rail or a Subsidiary, except that Itel may continue to exercise its rights with respect to Residuals in existence on the Effective Date and own the intermodal trailers subject to the Management Agreement on the Effective Date, as long as no personnel or confidential information of Rail are utilized in connection therewith. Itel agrees that it shall not, nor shall it permit any subsidiary of Itel to, disclose confidential information concerning Rail's business or operations to those personnel of Itel or any non-Rail subsidiary of Itel with operational responsibility for Itel's rights with respect to the Residuals and shall develop appropriate procedures to insure against such disclosure.

SECTION 6.13. *Itel Payments to Rail in respect of Rail Residual Payments.* Itel agrees that, as long as there shall be an Amended Trust Certificate outstanding, it will promptly, and in any event within ten (10) Business Days after receipt of a Rail Residual Payment, make or cause to be made a payment to Rail in an amount equal to 50% of such Rail Residual Payment.

SECTION 6.14. *Further Assurances.* Itel and Rail jointly and severally agree that from time to time they will do all such acts and execute all such instruments of further assurance as they shall be reasonably requested by the Trustee to do or execute for the purpose of fully carrying out and effectuating this Agreement and the intent hereof.

ARTICLE SEVEN

NEGATIVE COVENANTS

SECTION 7.01. *Indebtedness.* Rail agrees that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, it will not, nor will it permit any Subsidiary to, create, incur, assume, or permit to exist any Indebtedness, except:

(a) Indebtedness permitted under the Plan and existing as of the Effective Date and any renewals, extensions, modifications, and refundings of such Indebtedness; *provided, however*, that such renewals, extensions, modifications, and refundings (other than any renewals, extensions, modifications, or refundings with respect to the Amended Trust Certificates, provided each Amended ETC Series is proportionately so renewed, extended, modified, or refunded) shall not have the effect of reducing Rail's Cumulative Cash Flow for any period prior to January 1, 1995; nor shall any default, Default, or Event of Default exist relating to, and after giving effect to, any such renewal, extension, modification, or refunding;

(b) Indebtedness of Rail or any Subsidiary representing, or incurred to finance, refinance, or refund the acquisition cost of any tangible asset permitted to be acquired by Rail hereunder in the conduct of Rail's businesses ("Qualified Equipment"); *provided, however*, that (i) any such Indebtedness shall be incurred on conventional market terms (including as to interest rate and amortization) for the financing of similar assets by Persons with the same or a similar business as Rail, having a financial condition comparable to that of Rail, and shall in no event exceed 100% of the original cost of the Qualified Equipment so acquired and (ii) in the case of Indebtedness of any Subsidiary, the aggregate outstanding principal amount of Indebtedness of the Subsidiaries, after giving effect to the incurrence thereof, but not including the debentures listed on Schedule 9 hereto, shall not in the aggregate, without duplication, exceed \$3 million;

(c) Indebtedness of Rail to Itel for the Unsecured Claim Debt, payable as provided in subsection 704(d) hereinbelow;

(d) Indebtedness of Rail to Itel for Advances;

(e) Funded Debt and Guarantees in the aggregate, without duplication, of Rail or the Subsidiaries if, after giving effect to the incurrence thereof (i) the amount of Funded Debt and Guarantees in the

aggregate, without duplication, of Rail and the Subsidiaries outstanding at the time of the incurrence thereof would not exceed 300% of the Stockholders' Equity of Rail and (ii) the ratio of earnings available for fixed charges to fixed charges for each of the previous four (4) quarters of Rail, assuming that such incurrence was at the beginning of each such quarter, would not be less than 2:1; *provided, however*, that Indebtedness permitted under subsection 7.01(b) hereinabove and Guarantees permitted under subsection 7.03(b) hereinbelow shall be considered Funded Debt or a Guarantee, as the case may be, for the purposes of determining compliance with this subsection 7.01(e) in connection with the incurrence of other Funded Debt of Rail or any Subsidiary after the Effective Date; and

(f) Short Term Debt of Rail, other than Indebtedness permitted pursuant to subsection 7.01(a) hereinabove, in an aggregate amount at any time outstanding as to Rail and the Subsidiaries not in excess of \$10 million.

SECTION 7.02. Liens. Rail agrees that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, it will not, nor will it permit any Subsidiary to, incur, create, assume, or permit to exist any Lien on any property or assets now owned or hereafter acquired by it or any Subsidiary, except:

(a) Liens in existence on the Effective Date securing Indebtedness permitted under subsection 7.01(a) hereinabove;

(b) Liens for taxes or assessments and similar charges, either (i) not delinquent or (ii) being contested in good faith by appropriate proceedings pursuant to the provisions of Section 6.06 hereinabove;

(c) Liens incurred or pledges and deposits in connection with worker's compensation, unemployment insurance, old age pensions, and other social security benefits, or securing the performance of bids, tenders, leases, contracts (other than for the repayment of borrowed money), statutory obligations, surety and appeal bonds, and other obligations of a like nature, incurred as an incident to and in the ordinary course of business;

(d) statutory liens of landlords and other liens imposed by law, such as liens of mechanics, carriers, warehousemen, materialmen, and vendors, incurred in good faith in the ordinary course of business, and deposits made in the ordinary course of business to obtain the release of any such liens;

(e) zoning restrictions, easements, licenses, reservations, provisions, covenants, conditions, waivers, restrictions on the use of property, or minor irregularities of title (and with respect to leasehold interests, mortgages, obligations, liens, and other encumbrances incurred, created, assumed, or permitted to exist and arising by, through, or under or asserted by a landlord or owner of the leased property, with or without consent of the lessee), none of which, in the opinion of Rail, materially impairs the use of such property in the operation of the business of Rail or any Subsidiary or the value of such property for the purpose of such business;

(f) Liens created by or resulting from any litigation or proceedings which are currently being contested in good faith by appropriate proceedings pursuant to the provisions of Section 6.06 hereinabove and as to which Rail or a Subsidiary, as the case may be, shall have set aside on its books adequate reserves;

(g) Liens on Qualified Equipment securing Indebtedness permitted by subsection 7.01(b) hereinabove; *provided, however*, that such Liens secure only the Indebtedness incurred in connection with the acquisition of and at all times be confined to such Qualified Equipment and that the Indebtedness so secured equals at the time of incurrence thereof no more than 100% of the net purchase price or Cost of the Qualified Equipment securing such Indebtedness and that such Liens shall at all times be confined to such Qualified Equipment;

(h) Liens securing Advances, provided that each such Advance is secured only by no more than a number of Non-ETC Railcars having an aggregate Equipment Value, as determined in accordance with paragraph 4.06(b)(1) hereinabove at the time of the Advance, of not more than 150% of the amount of such Advance; and

(i) Liens incidental to the conduct of the respective businesses of Rail and the Subsidiaries or the ownership of their respective properties and assets which were not incurred to secure any Indebtedness and which do not in the aggregate materially detract from the value of such properties and assets or materially impair the use thereof in the operation of the respective businesses of Rail and the Subsidiaries.

SECTION 7.03. Guarantees. Rail agrees that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, it will not, nor will it permit any Subsidiary to, become or remain liable with respect to any Guarantee, except:

- (a) Guarantees in existence on the Effective Date and permitted under the Plan;
- (b) Guarantees by Rail and/or any Subsidiary of the obligations of Rail or any other Subsidiary; *provided, however*, that no such Guarantee may be made if, after giving effect to such Guarantee, the sum of (i) the aggregate amount of Indebtedness incurred by the Subsidiaries pursuant to the provisions of clause 7.02(b)(ii) hereinabove and outstanding and (ii) the aggregate amount of Guarantees made by Rail and the Subsidiaries pursuant to this subsection 7.03(b) (not including Guarantees with respect to Indebtedness referred to in clause (i) above) and outstanding exceeds \$5 million.
- (c) Renewals, extensions, and modifications of Guarantees permitted by clauses (a) and (b) above, provided the effect thereof is not to increase the amount of such Guarantees; and
- (d) Guarantees issued as indemnities in connection with a transaction permitted pursuant to Section 7.09(c) hereinbelow.

SECTION 7.04. Transactions with Affiliates; Restricted Payments. Rail agrees that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, it will not, nor will it permit any Subsidiary to, enter into or engage in any transaction with or make any payment to or for the benefit of Itel or any Affiliate of Rail, except:

(a)(1) on the Annual Payment Date for each year, Rail may make a payment to Itel in an amount equal to the Restricted Payment for such year, unless the aggregate face amount of Reorganization Securities retired by such date is greater than or equal to the amount set forth in Schedule 8 hereto, in which event Rail may make a payment to Itel in an amount not to exceed the lesser of (A) the Restricted Payment for such year or (B) the Compliance Amount; *provided, however*, that if a Default, Event of Default, or Callback Trust Trigger Event shall then be occurring or would occur after giving effect to such payment, then such payment may be made only to the Callback Trustee;

(2) notwithstanding anything to the contrary contained in this subsection 7.04(a), (i) if Rail fails to deliver the Officer's Certificate to the Trustee pursuant to the provisions of subsection 6.02(f) hereinabove, until the delivery of such certificate or (ii) as long as the Bad Order Ratio Limit is exceeded, Rail shall not make any Restricted Payment to Itel and/or the Callback Trustee;

(b) on an Annual Payment Date, Rail may repay any Advances made during the immediately preceding year, except that if Itel shall fail or refuse to make or cause to be made to Rail a payment pursuant to the provisions of Section 6.11 hereinabove, then Rail shall not repay such Advances to Itel but shall offset the repayment of such Advances to the extent that Itel failed or refused to make or cause to be made such payments to Rail;

(c) Rail may make payments to Itel monthly (or at any less frequent interval) in an amount not to exceed the aggregate amounts charged to Rail by Itel as Rail Corporate Overhead Expenses for the immediately preceding month (or other interval period); *provided, however*, that the amounts allocable to Rail shall be determined in accordance with the application of the criteria set forth on Schedule 4 hereto and that the terms and conditions in respect of such expenses and payments are reasonably comparable to the terms and conditions that Rail would incur in a comparable arm's-length transaction or series of transactions with a Person not an Affiliate of Rail;

(d) on the Annual Payment Date for each of the years 1982 through 1988, inclusive, Rail may make a payment in an amount equal to that amount which, if paid annually on such Annual Payment Date and each of the following Annual Payment Dates through and including the Annual Payment Date for 1988, would completely amortize the outstanding Unsecured Claim Debt.

(e) Rail may make such payments to Itel as are required to be made by it under the Management Agreement; *provided, however*, that no such payment shall be made by Rail unless all payments required to have been made from Itel Container International B.V. to Rail pursuant to the provisions of the Management Agreement have been effected within sixty (60) days from the date such payments were due and owing to Rail;

(f) Rail or any Subsidiary wholly owned by Rail may enter into or engage in any transaction between or among any one or more of themselves; and

(g) Rail or any Subsidiary may enter into or engage in any arm's-length transaction with any Subsidiary or Affiliate of Itel which controls Itel and which is not controlled by or under common control with Itel.

SECTION 7.05. *Payments to the Callback Trustee.* Rail agrees that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, it will not, nor will it permit any Subsidiary to make any payment to the Callback Trustee; *provided, however*, that, on the Annual Payment Date for each year, Rail may make payments to the Callback Trustee pursuant to paragraph 7.04(a)(1) hereinabove or Section 3 of the Callback Trust Agreement.

SECTION 7.06. *Material Change in Condition.*

(a) Itel agrees that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, it shall not, nor will it permit any subsidiary of Itel to, sell, convey, transfer, or otherwise dispose of the capital stock of Rail or create or suffer to exist any Lien thereon other than the pledge thereof to the Trustee pursuant to the provisions of the Stock Pledge Agreement, except that Itel may sell, convey, and transfer all, but not less than all, of such stock of Rail (the "Transaction") to a corporation (the "Acquiring Corporation"), provided that:

(1)(A) immediately prior to the Transaction, no Default or Event of Default shall exist, (B) immediately after giving effect to the Transaction, no Default or Event of Default shall have occurred and be continuing, and (C) the Acquiring Corporation shall (i) be a solvent corporation organized and validly existing under the laws of any state of the United States of America, (ii) be in compliance with the financial ratios set forth on Schedule 5 hereto, (iii) expressly assume in writing all the obligations of Itel hereunder and under the Stock Pledge Agreement, the Tax Allocation Agreement, and the Callback Trust Agreement, and thereby succeed to and be substituted for Itel with the same effect as if it had been named herein and therein as a party and Itel shall thereupon be released therefrom, (iv) agree that in no event shall it transfer any assets to Rail other than cash and Cash Equivalents, and (v) agree to deliver, concurrently with the delivery of the financial statements required by subsection 6.04(a) hereinabove, to the Trustee and to each ETC Holder, in each case in duplicate if requested in writing in advance, the consolidating balance sheets of the Acquiring Corporation and its consolidated subsidiaries as at the end of each fiscal quarter, and the related consolidating statements of income and changes in the financial position of the Acquiring Corporation and its consolidated subsidiaries for such quarter and an Officer's Certificate by the chief financial officer of the Acquiring Corporation to the effect that such statements present fairly the changes in the financial position of the Acquiring Corporation and were prepared in accordance with generally accepted accounting principles or ICC Accounting Principles, where applicable, consistently applied (except for such changes in accounting principles as are disclosed therein and as are concurred in by the independent certified public accountants of the Acquiring Corporation); or

(2)(A) immediately prior to the Transaction, no Default or Event of Default shall exist, (B) immediately after giving effect to the Transaction, no Default or Event of Default shall have occurred and be continuing, and (C) the Acquiring Corporation shall (i) be a solvent corporation organized and validly existing under the laws of any state of the United States of America, (ii) have a long term senior debt rating of "Baa" or higher by Moody's or S&P, or the equivalent rating by another existing rating service acceptable to the holders of a majority in aggregate unpaid principal amount of the Amended Trust Certificates, if neither Moody's nor S&P exist at such time, (iii) expressly assume in writing all the obligations of Rail hereunder and under the Amended Trust Certificates, and thereby succeed to and be substituted for Rail with the same effect as if it had been named herein and therein as a party, (iv) expressly waive, and thereafter not be entitled to exercise, any rights under paragraph 4.04(a)(13) or subsection 4.04(b) hereinabove, and (v) deliver or cause to be delivered to the Trustee and to each ETC Holder all such evidence and confirmation of the foregoing, including, without limitation, Opinions of Counsel, as any of them may reasonably request.

(b) Rail agrees that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, it shall not, nor will it permit any Subsidiary to, sell, convey, transfer, or otherwise dispose of all or substantially all its business or assets except that:

(1) Rail may sell, convey, or transfer all or substantially all the assets of Rail (the "Transaction") to a corporation (the "Acquiring Corporation"), provided that (A) immediately prior to the Transaction, no Default or Event of Default shall exist, (B) immediately after giving effect to the Transaction, no Default or Event of Default shall have occurred and be continuing, (C) the Acquiring Corporation shall (i) be a solvent corporation organized and validly existing under the laws of any state of the United States of America, (ii) expressly assume in writing all the obligations of Rail hereunder and under the Amended Trust Certificates, and thereby succeed to and be substituted for Rail with the same effect as if it had been named herein and therein as a party, and (iii) assume all the obligations of Rail under the Callback Trust Agreement, and (D) each owner of the Acquiring Corporation shall (i) be in compliance with the financial ratios set forth on Schedule 5 hereto, (ii) pledge all the capital stock of the Acquiring Corporation to the Trustee for the benefit of the ETC Holders pursuant to a stock pledge agreement no less favorable to the ETC Holders than the Stock Pledge Agreement and in form and substance satisfactory to the Trustee as trustee of each Amended ETC Series Trust, (iii) enter into a tax allocation agreement providing the benefits for the Acquiring Corporation that would accrue to Rail under the Tax Allocation Agreement and in form and substance satisfactory to the Trustee as trustee of each Amended ETC Series Trust, (iv) assume the obligations of ITEL under the Callback Trust Agreement and ITEL shall thereupon be released therefrom, (v) agree that the Acquiring Corporation will not hold any assets other than cash, Cash Equivalents, and those acquired from Rail or permitted to be acquired by Rail hereunder, (vi) agree that the Acquiring Corporation, immediately prior to the Transaction, will have no Liabilities, and (vii) agree to deliver, concurrently with the delivery of the financial statements required by subsection 6.04(a) hereinabove, to the Trustee and to each ETC Holder, in each case in duplicate if requested in writing in advance, the consolidating balance sheets of each such owner and its consolidated subsidiaries as at the end of each fiscal quarter, and the related consolidating statements of income and changes in the financial position of each such owner and its consolidated subsidiaries for such quarter and an Officer's Certificate by the chief financial officer of each such owner to the effect that such statements present fairly the changes in the financial position of such owner and were prepared in accordance with generally accepted accounting principles or ICC Accounting Principles, where applicable, consistently applied (except for such changes in accounting principles as are disclosed therein and as are concurred in by the independent certified public accountants of each such owner);

(2) Rail may sell, convey, or transfer all or substantially all the assets of Rail (the "Transaction") to a corporation (the "Acquiring Corporation"), provided that (A) immediately prior to the Transaction, no Default or Event of Default shall exist, (B) immediately after giving effect to the Transaction, no Default or Event of Default shall have occurred and be continuing, and (C) the Acquiring Corporation shall (i) be a solvent corporation organized and validly existing under the laws of any state of the United States of America, (ii) have a long term senior debt rating of "Baa" or higher by Moody's or S&P, or the equivalent rating by another existing rating service acceptable to the holders of a majority in aggregate unpaid principal amount of the Amended Trust Certificates, if neither Moody's nor S&P exist at such time, (iii) expressly assume in writing all the obligations of Rail hereunder and under the Amended Trust Certificates, and thereby succeed to and be substituted for Rail with the same effect as if it had been named herein and therein as a party, (iv) expressly waive, and thereafter not be entitled to exercise, any rights under paragraph 4.04(a)(13) or subsection 4.04(b) hereinabove, and (v) deliver or cause to be delivered to the Trustee and to each ETC Holder all such evidence and confirmation of the foregoing, including without limitation, Opinions of Counsel, as any of them may reasonably request;

(3) any Subsidiary wholly owned by Rail may sell, lease, transfer, or otherwise dispose of any of its assets to Rail or any other Subsidiary wholly owned by Rail; or

(4) Rail may sell, lease, transfer, or otherwise dispose of any of its assets to any Subsidiary wholly owned by Rail.

(c) Rail agrees that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, it will not, nor will it permit any Subsidiary to, enter into any transaction of merger, consolidation, or amalgamation, or liquidate, wind up, or dissolve itself or any Subsidiary, as the case may be (or suffer any liquidation or dissolution), except that:

(1) Rail may enter into a merger (the "Transaction") with a corporation (the "Acquiring Corporation") provided that: (A) immediately prior to the Transaction, no Default or Event of Default shall exist, (B) immediately after giving effect to the Transaction, no Default or Event of Default shall have occurred and be continuing, (C) the Acquiring Corporation or Rail (whichever is the surviving corporation) shall be a solvent corporation organized and validly existing under the laws of any state of the United States of America, (D) the Acquiring Corporation (if it is the surviving corporation) shall (i) expressly assume in writing all the obligations of Rail hereunder and under the Amended Trust Certificates, and thereby succeed to and be substituted for Rail with the same effect as if it had been named herein and therein as a party and (ii) assume the obligations of Rail under the Callback Trust Agreement, and (E) each owner of the Acquiring Corporation or Rail (whichever is the surviving corporation) shall (i) be in compliance with the financial ratios set forth on Schedule 5 hereto, (ii) pledge all of the capital stock of Rail or the Acquiring Corporation (whichever is the surviving corporation) to the Trustee for the benefit of the ETC Holders pursuant to a stock pledge agreement no less favorable to the ETC Holders than the Stock Pledge Agreement and in form and substance satisfactory to the Trustee as trustee of each Amended ETC Series Trust, (iii) enter into a tax allocation agreement providing benefits for Rail or the Acquiring Corporation (whichever is the surviving corporation) that would accrue to Rail under the Tax Allocation Agreement and in form and substance satisfactory to the Trustee as trustee of each Amended ETC Series Trust, (iv) assume the obligations of ITEL under the Callback Trust Agreement and ITEL shall thereupon be released therefrom, (v) agree that Rail or the Acquiring Corporation (whichever is the surviving corporation) will not hold any assets other than cash, Cash Equivalents, and the assets of Rail at the time of the merger or permitted to be acquired by Rail hereunder, (vi) agree that the Acquiring Corporation, immediately prior to the Transaction, will have no Liabilities, and (vii) agree to deliver, concurrently with the delivery of the financial statements required by subsection 6.04(a) hereinabove, to the Trustee and to each ETC Holder, in each case in duplicate if requested in writing in advance, the consolidating balance sheets of each such owner and its consolidated subsidiaries as at the end of each fiscal quarter, and the related consolidating statements of income and changes in the financial position of each such owner and its consolidated subsidiaries for such quarter and an Officer's Certificate by the chief financial officer of each such owner to the effect that such statements present fairly the changes in the financial position of such owner and were prepared in accordance with generally accepted accounting principles or ICC Accounting Principles, where applicable, consistently applied (except for such changes in accounting principles as are disclosed therein and as are concurred in by the independent certified public accountants of each such owner);

(2) Rail may enter into a merger (the "Transaction") with a corporation (the "Acquiring Corporation") provided that: (A) immediately prior to the Transaction, no Default or Event of Default shall exist, (B) immediately after giving effect to the Transaction, no Default or Event of Default shall have occurred and be continuing, and (C) the Acquiring Corporation shall (i) be a solvent corporation organized and validly existing under the laws of any state of the United States of America, (ii) have a long term senior debt rating of "Baa" or higher by Moody's or S&P, or the equivalent rating by another existing rating service acceptable to the holders of a majority in aggregate unpaid principal amount of the Amended Trust Certificates, if neither Moody's nor S&P exist at such time, (iii) expressly assume in writing all the obligations of Rail hereunder and under the Amended Trust Certificates, and thereby succeed to and be substituted for Rail with the same effect as if it had been named herein and therein as a party, (iv) expressly waive, and thereafter not be entitled to exercise any rights under paragraph 4.04(a)(13) or subsection 4.04(b) hereinabove, and (v) deliver or cause to be delivered to the Trustee and to each ETC Holder all such evidence and confirmation of the foregoing, including, without limitation, Opinions of Counsel, as any of them may reasonably request;

(3) any Subsidiary wholly owned by Rail may be merged or consolidated with or into any other Subsidiary wholly owned by Rail; or

(4) any Subsidiary may be merged or consolidated with or into Rail; *provided, however*, that (i) Rail shall be the remaining or surviving corporation in any such transaction and (ii) Rail shall not

thereby become liable in respect of any Indebtedness for which it would not otherwise be liable (by reason of a Guarantee or otherwise) or in respect of any Guarantee or in respect of any other Liabilities which in the aggregate exceeds the fair value of the assets acquired in such merger or consolidation.

SECTION 7.07. *Permitted Investments.* Rail agrees that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, it will not, nor will it permit any Subsidiary to, make or commit to make any advance, loan, extension of credit, or capital contribution to, or purchase any stock, bonds, notes, debentures, or other securities of, or make any other investment in, any Person except:

(a) accounts, chattel paper (as defined in the Uniform Commercial Code of the State of New York), and notes receivable, created, or arising in the ordinary course of the business of Rail and the Subsidiaries;

(b) reasonable advances or commissions, travel expenses, and other similar business related advances made to employees in the ordinary course of business;

(c) investments in any wholly owned Subsidiary;

(d) investments in Cash Equivalents; and

(e) investments in connection with transactions permitted pursuant to subsection 7.09(c) hereinbelow.

SECTION 7.08. *Capital Expenditures.* Rail agrees that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, it will not, nor will it permit any Subsidiary to, unless fully funded by loans or capital contributions from Itel, directly or indirectly, by way of installment or conditional sales agreement, financing lease (whether or not capitalized in accordance with generally accepted accounting principles), or otherwise, commit to acquire or acquire any fixed or capital assets, (i) the aggregate cost of which is greater than the product of (x) three (3) and (y) the sum of the Cash Capital Expenditure Limit and the Total Cash Capital Expenditure Carryforward, each for the year in which such commitment or acquisition occurs, and (ii) the aggregate effect of which is to cause the Cash Capital Expenditures for such year to exceed the sum of the Cash Capital Expenditure Limit and the Total Cash Capital Expenditure Carryforward, each for such year; *provided, however*, that the foregoing restrictions shall not apply to (A) the acquisition of Rail Components, (B) capital expenditures by any Subsidiary as long as such expenditures are from such Subsidiary's own restricted funds without reimbursement therefor, directly or indirectly, by Rail, (C) capital expenditures made by Rail from proceeds (1) remaining after any transaction is effected pursuant to subsection 4.06(e) hereinabove, (2) received by Rail on account of a Casualty Occurrence less the Rail Casualty Payment effected pursuant to the provisions of subsection 4.08(c) hereinabove, or (3) held by Rail pursuant to subsection 7.09(a) hereinbelow, and (D) the agreement between Rail and Fruehauf Corporation to stretch existing trailers, dated September 30, 1982.

SECTION 7.09. *Transfers of Assets.* Rail agrees that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, it will not, nor will it permit any Subsidiary to, enter into any transaction or series of transactions to convey, sell, lease, transfer, or otherwise dispose of any asset of Rail or any Subsidiary, except that:

(a) Rail may convey, sell, lease, transfer, or otherwise dispose of Non-ETC Railcars in an arms-length transaction or series of transactions as long as the net proceeds therefrom shall be retained by Rail or used (i) to pay any Debt, settle any claim, or meet any expense of Rail, except that (A) all Deferrals which can be effected pursuant to the provisions of paragraph 4.04(b)(2) hereinabove have been effected, (B) the Total Callback Amount is \$0, and (C) a Default or Event of Default shall occur if such proceeds are not used to pay such Debt, settle such claim, or meet such expenses of Rail or (ii) to make Cash Capital Expenditures permitted by the provisions of Section 7.08 hereinabove;

(b) except to the extent inconsistent with the foregoing provisions of this Section 7.09, Rail or any Subsidiary may sell (including, without limitation, by means of sale and leaseback), convey, lease, or otherwise transfer to any Person any of the assets of Rail or any Subsidiary, as the case may be, for fair value in an arm's-length transaction or series of transactions in which the proceeds, fair market value, or

book value, whichever is greatest (the "Sale Value"), is less than \$500,000; *provided, however*, that the total aggregate amount of the Sale Values of such sales cannot exceed \$2 million in any twelve (12) month period;

(c) Rail or any Subsidiary may sell, lease, or otherwise transfer any assets acquired pursuant to the provisions of Section 7.08 hereinabove primarily for the purpose of transferring tax benefits to the purchaser, lessee, or transferee in transactions which do not materially restrict the use or enjoyment of the underlying asset or create any material additional obligation on the part of Rail or such Subsidiary;

(d) any Subsidiary wholly owned by Rail may sell, convey, lease, or otherwise transfer any of its assets to Rail or any other Subsidiary wholly owned by Rail; and

(e) Rail may sell, convey, lease, or otherwise transfer any of its assets to any Subsidiary wholly owned by Rail.

SECTION 7.10. *Issuance of Equity.* Rail agrees that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, it will not, nor will it permit any Subsidiary to, issue, sell, create, or cause to be outstanding any stock of any class or any other evidence of any equity or beneficial ownership interest in Rail or any Subsidiary except (i) stock outstanding on the Effective Date, (ii) stock issued by a Subsidiary to Rail or to any other Subsidiary, and (iii) stock issued by Rail to Itel, provided that such stock issued to Itel shall be subject to the Stock Pledge Agreement.

SECTION 7.11. *Lease Rentals.* Rail agrees that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, it will not, nor will it permit any Subsidiary to, enter into agreements to rent or lease (as lessee) any real or personal property providing in the aggregate, together with all other outstanding leases for minimum annual non-cancelable payments net of sublease revenues on a consolidated basis to lessors (or any assignee) in any twelve (12) month period in excess of 5% of the consolidated gross revenues of Rail for the preceding year; *provided, however*, that the foregoing restriction shall not apply to (i) leases of premises, office equipment, or data processing equipment used in the conduct of the businesses of Rail and the Subsidiaries, (ii) existing leases on the Effective Date and any modifications, extensions, and renewals thereof, (iii) per diem leases, (iv) leases in connection with sale and leaseback transactions of the type provided for in subsection 7.09(c) hereinabove, (v) leases with a minimum term of less than three (3) years, and (vi) leases between (A) Rail and any Subsidiary and (B) any Subsidiary and any other Subsidiary, except that Rail or any Subsidiary may enter into such agreements with any other Subsidiary not wholly owned by Rail only on terms and conditions no less favorable to Rail in all respects as the terms and conditions that would arise in a similar agreement between Rail or the respective Subsidiary and a third party lessor.

SECTION 7.12. *Modification of Agreements.* Itel and Rail jointly and severally agree that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, they will not amend the Callback Trust Agreement, the Tax Allocation Agreement, or the Management Agreement without the written approval of such amendment from the holders of more than two-thirds ($\frac{2}{3}$) in aggregate unpaid principal amount of the Amended Trust Certificates. Itel further agrees that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, it will not amend any subordination provision with respect to the Callback in any of the Reorganization Securities.

SECTION 7.13. *Limitations on Use of Non-ETC Railcars in Mexico.* Rail agrees that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, it will not, nor will it permit any Subsidiary, lessee, or sublessee to, permit the use or presence of more than 10% of the Non-ETC Railcars in Mexico at any one time.

SECTION 7.14. *Expenses Concerning Management Agreement.* Rail agrees that from the date hereof and as long as there shall be an Amended Trust Certificate outstanding, it will not, nor will it permit any Subsidiary to, pay any expenses for or on account of the trailers which are subject to the Management Agreement other than as provided in such agreement; *provided, however*, that no such payment shall be made by Rail unless all payments required to have been made to Rail from Itel Container International B.V. pursuant to the provisions of the Management Agreement have been effected within sixty (60) days from the date such payments were due and payable to Rail.

ARTICLE EIGHT
CONCERNING THE HOLDERS OF AMENDED TRUST CERTIFICATES

SECTION 8.01. *Evidence of Action Taken by Holders of Amended Trust Certificates.* Whenever in this Agreement it is provided that the holders of a specified percentage in aggregate unpaid principal amount of the Amended Trust Certificates in any Amended ETC Series, or all Amended ETC Series considered as a single class, may take action (including the making of any demand or request, the giving of any notice, consent, or waiver, or the taking of any other action), the fact that at the time of taking any such action, such holders of such specified percentage have joined therein may be evidenced by any instrument or any number of instruments of similar tenor executed by such holders in person or by agent or proxy appointed in writing.

SECTION 8.02. *Proof of Execution of Instruments and of Holding Amended Trust Certificates.* Proof of the execution of any instrument by a holder of an Amended Trust Certificate or its agent or proxy and proof of the holding by any Person of any Amended Trust Certificate shall be sufficient if made in the following manner:

(a) the fact and the date of the execution by any such Person of any instrument may be proved by the certificate of any notary public or other officer of any jurisdiction within the United States of America authorized to take acknowledgments of deeds to be recorded in such jurisdiction that the Person executing such instrument acknowledged to him the execution thereof or by an affidavit of a witness to such execution sworn to before any such notary or other such officer, and where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit also constituting proof of the authority of the Person executing the same; and

(b) the ownership of an Amended Trust Certificate may be proved by the register of such Amended Trust Certificate or by a certificate of the registrar thereof.

SECTION 8.03. *Amended Trust Certificates Owned by Itel or Rail.* In determining whether the holders of the requisite unpaid principal amount of the Amended Trust Certificates have concurred in any direction, request, or consent under this Agreement, the Amended Trust Certificates which are owned by Itel or Rail or by any other obligor on the Amended Trust Certificates or by an Affiliate of Itel, Rail, or any such other obligor shall be disregarded, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, request, or consent, only the Amended Trust Certificates which are actually known to the Trustee at its Corporate Trust Office to be so owned shall be disregarded.

SECTION 8.04. *Right of Revocation of Action Taken.* At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01 hereinabove, of the taking of any action by the holders of the percentage in aggregate unpaid principal amount specified in this Agreement of the Amended Trust Certificates in any Amended ETC Series, or all Amended ETC Series considered as a single class, in connection with such action, any holder of an Amended Trust Certificate, the serial number of which is shown by the evidence to be included in the Amended Trust Certificates the holders of which have consented to such action, may, by filing written notice with the Trustee and upon proof of holding as provided in Section 8.02 hereinabove, revoke such action insofar as it concerns such Amended Trust Certificate. Except as aforesaid, any action taken by the holder of any Amended Trust Certificate shall be conclusive and binding upon such holder and upon all future holders and owners of such Amended Trust Certificate and of any Amended Trust Certificate issued in exchange or substitution therefor, irrespective of whether any notation in regard thereto is made upon such Amended Trust Certificate. Any action taken by the holders of the required percentage in aggregate unpaid principal amount specified in this Agreement of the Amended Trust Certificates in any Amended ETC Series, or all Amended ETC Series considered as a single class, in connection with such action shall be conclusive and binding upon Itel, Rail, the Trustee, and the holders of all the Amended Trust Certificates in such Amended ETC Series or all the Amended Trust Certificates, as the case may be, subject to the provisions of Section 5.08 hereinabove.

ARTICLE NINE

THE TRUSTEE

SECTION 9.01. *Acceptance of Trust.* The Trustee acknowledges that it has accepted each of and all the seven (7) separate trusts governed by this Agreement, and covenants and agrees to perform the same as herein expressed.

SECTION 9.02. *Duties and Responsibilities of the Trustee.*

(a) In case an Event of Default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by this Agreement, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. The Trustee shall not be deemed to have knowledge of any Default or Event of Default under this Agreement prior to the time it shall have obtained actual knowledge thereof at its Corporate Trust Office.

(b) No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its wilful misconduct, except that:

(1) prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred:

(i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Agreement, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Trustee; and

(ii) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Agreement, but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement;

(2) the Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; *provided, however*, that the foregoing provisions of this paragraph 9.02(b)(2) shall not excuse the Trustee from liability for its action or inaction which was contrary to the express provisions of this Agreement;

(3) with respect to each Amended ETC Series, the Trustee shall not be liable with respect to any action taken, suffered, or omitted to be taken by it in good faith in accordance with the direction of the holders of a majority in aggregate unpaid principal amount of the Amended Trust Certificates in such Amended ETC Series relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Agreement;

(4) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, Amended Trust Certificate, guarantee, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(5) the Trustee may consult with counsel and any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by it hereunder in good faith and in accordance with such Opinion of Counsel;

(6) the Trustee shall not be under any obligation to exercise any of its rights or powers vested in it by this Agreement at the request, order, or direction of any of the ETC Holders, pursuant to the provisions of this Agreement, unless such ETC Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses, and liabilities which might be incurred therein or thereby; and

(7) the Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement,

nor shall any of the provisions contained in this Agreement require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it, and whether or not therein expressly so provided, every provision of this Agreement relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 9.02.

(c) The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of the ETC Holders.

SECTION 9.03. *Application of Rentals.*

(a) The Trustee covenants and agrees to apply the rentals received by it under subsection 4.04(a) hereinabove when and as the same shall be received, and to the extent that such rentals shall be sufficient therefor, pursuant to the provisions of Sections 2.02 and 2.03 hereinabove.

(b) The Trustee shall not be required to undertake any act or duty in the way of insuring, taking care of, or taking possession of the Trust Equipment until fully indemnified by Rail, Itel, or by one or more ETC Holders against all liability and expenses, and the Trustee shall not be responsible for the filing or recording or the refiling or rerecording of this Agreement or of any supplement hereto or statement of new numbers or any assignments or any other statement or document that may be permitted or required to be filed, recorded, refiled, or rerecorded in any jurisdiction to protect or perfect any of the security interests governed hereby. Nothing in this Section 9.03 shall be deemed to create any duty or obligation or limit any of the rights of the Trustee, except as set forth in subsection 9.03(a) hereinabove.

SECTION 9.04. *Funds May be Held by the Trustee; Investments.*

(a) Except as provided in subsections 9.04(b) and 9.04(c) hereinbelow, any money at any time paid to or held by the Trustee hereunder until paid out by the Trustee as herein provided may be carried by the Trustee on noninterest bearing deposit with itself.

(b) At any time and from time to time, if at the time no Default or Event of Default shall have occurred and be continuing, the Trustee shall invest and reinvest cash deposited with it pursuant to Sections 4.06 or 4.08 hereinabove in Cash Equivalents, such investments to be held by the Trustee in trust for the benefit of the ETC Holders entitled thereto as herein provided.

(c) At any time and from time to time, if at the time no Default or Event of Default shall have occurred and be continuing, the Trustee, on Request, shall invest and reinvest cash deposited with it pursuant to paragraph 5.01(a)(2) hereinabove ("Replacement Funds") in Cash Equivalents, at such prices, including any premium and accrued interest, as are set forth in such Request, such investments to be held by the Trustee in trust for the benefit of the ETC Holders entitled thereto as herein provided. The Trustee, on Request, shall, as provided in paragraph 5.01(a)(2) hereinabove, sell such investments, or any portion thereof, and restore to Replacement Funds the proceeds of any such sale up to the amount paid for such investments, including accrued interest. The Trustee shall, to the extent received, restore to Replacement Funds out of rent received by it for that purpose under the provisions of paragraph 4.04(a)(1) hereinabove, an amount equal to any expenses incurred in connection with any purchase or sale of Cash Equivalents and also an amount equal to any loss of principal incident to the sale or redemption of any Cash Equivalents for a sum less the amount paid therefor, including accrued interest. Until such time as, to the actual knowledge of the Trustee (obtained at its Corporate Trust Office), there shall be a Default or Event of Default hereunder, Rail shall be entitled to receive any interest (in excess of accrued interest paid from Replacement Funds at the time of purchase) or other profit which may be realized from any sale or redemption of Cash Equivalents held by the Trustee.

SECTION 9.05. *The Trustee Not Liable for Delivery Delays or Defects in Equipment or Title.*

(a) The Trustee shall not be liable to anyone for any delay in the delivery of any of the Trust Equipment, or for any default on the part of the manufacturers thereof or of Itel or Rail, or for any defect in any of the Trust Equipment or in the title thereto, nor shall anything herein be construed as a warranty

on the part of the Trustee in respect thereof or as a representation on the part of the Trustee in respect of the value thereof or in respect of the title thereto or otherwise.

(b) The Trustee may perform its powers and duties hereunder by or through such attorneys and agents as it shall appoint, and shall be answerable only for its own negligent acts, negligent failures to act, and wilful misconduct and not for the default or misconduct of any attorney or agent appointed by it with reasonable care. The Trustee shall not be responsible in any way for, and makes no representation with respect to, the recitals herein contained or for the execution or validity or enforceability of this Agreement or of the Amended Trust Certificates (except for its own execution thereof) or for the guarantees by Itel and Rail.

(c) The Trustee shall be entitled to receive payment of all of its expenses and disbursements hereunder, including reasonable counsel fees and expenses, and to receive reasonable compensation for all services rendered by it in the execution of the trusts hereby governed, all of which shall be paid by Rail.

(d) The Trustee in its individual capacity may own, hold, and dispose of Amended Trust Certificates.

(e) Any moneys at any time held by the Trustee shall, until paid out or invested by the Trustee as herein provided, be held by it in trust as herein provided for the benefit of the ETC Holders entitled thereto as herein provided.

SECTION 9.06. *Resignation and Removal; Appointment of the Successor Trustee.*

(a) The Trustee may resign and be discharged of the trusts governed by this Agreement by giving at least thirty (30) days prior written notice to Itel and Rail. Such resignation shall take effect upon receipt by the Trustee of an instrument of acceptance executed by a successor trustee as provided in Section 9.07 hereinbelow. If the instrument of acceptance by a successor trustee shall not have been delivered to the Trustee within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee.

(b) The Trustee may be removed at any time by an instrument in writing signed by the holders of a majority in aggregate unpaid principal amount of all the Amended Trust Certificates, delivered to the Trustee and to Itel and Rail.

(c) If at any time the Trustee shall resign or be removed or otherwise become incapable of acting or, if at any time a vacancy shall occur in the office of the Trustee for any other cause, a successor trustee may be appointed by the holders of a majority in aggregate unpaid principal amount of all the Amended Trust Certificates by an instrument in writing delivered to Itel, Rail, and the Trustee. Rail, by an instrument in writing executed by order of its board of directors, shall promptly appoint a trustee to fill such vacancy until a successor trustee shall be appointed by the ETC Holders as herein authorized. A successor trustee so appointed by Rail shall immediately and without further act be superseded by a successor trustee appointed by the ETC Holders in the manner provided herein. Every successor trustee so appointed shall (i) be a national bank or a bank or trust company incorporated under the laws of the United States of America or the State of New York and (ii) have a capital and surplus of not less than \$100 million, if there be such an institution willing, qualified, and able to accept the trusts upon reasonable or customary terms. The Trustee shall be entitled to rely on the fact that any successor trustee appointed as herein authorized fulfills the requirements hereof.

(d) Rail shall promptly give notice to the ETC Holders of each resignation or removal of the then Trustee, or of each appointment by Rail of a successor trustee pursuant to the provisions of subsection 9.06(c) hereinabove, by mailing written notice of such event by first class mail, postage prepaid to each ETC Holder.

SECTION 9.07. *Acceptance of Appointment by the Successor Trustee.* Any successor trustee appointed as provided in subsection 9.06(c) hereinabove shall execute, acknowledge, and deliver to Itel, Rail, to its predecessor trustee, and to each ETC Holder, an instrument accepting such appointment hereunder and, subject to the provisions of subsection 9.06(a) hereinabove, thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed, or conveyance, shall become vested with all the rights, powers, duties, and obligations of its predecessor

hereunder, with like effect as if originally named as Trustee herein; but, nevertheless, on Request or on the written request of the successor trustee, upon payment of its charges then unpaid, the trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon the written request of any such successor trustee, Rail shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of subsection 9.05(c) hereinabove.

SECTION 9.08. *Merger or Consolidation of the Trustee.* Any corporation into which the Trustee may be merged or converted or with which it may be consolidated or any corporation resulting from any merger, conversion, or consolidation to which the Trustee shall be a party shall be the successor of the Trustee hereunder, provided such corporation shall be qualified under the provisions of subsection 9.06(c) hereinabove, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

SECTION 9.09. *Return of Certain Moneys to Rail.* Any provision of this Agreement to the contrary notwithstanding, any moneys paid to the Trustee which are applicable to the payment of the principal of, premium (if any) of, or the interest on any Amended Trust Certificates which remain unclaimed for five (5) years after the day when such moneys were due and payable shall then be repaid to Rail, upon Request, and the holders of such Amended Trust Certificates shall thereafter be entitled to look only to Rail for payment thereof and all liability of the Trustee with respect to the payment of such moneys shall thereupon cease; *provided, however*, that sixty (60) days prior to the repayment of such moneys to Rail as aforesaid, the Trustee shall notify, pursuant to Section 10.05 hereinbelow, each ETC Holder with respect to which any payment is due, and publish a notice, in such form as may be deemed appropriate by the Trustee, in respect of the Amended Trust Certificates so payable and not presented and in respect of the provisions hereof relating to the repayment to Rail of the moneys held for the payment thereof.

ARTICLE TEN

MISCELLANEOUS

SECTION 10.01. *Rights Confined to Parties and Holders.* Nothing expressed or implied herein is intended or shall be construed to confer upon or give to any Person, other than the parties hereto and the ETC Holders, any right, remedy, or claim under or by reason of this Agreement or of any term, covenant, or condition hereof, and all the terms, covenants, conditions, promises, and agreements contained herein shall be for the sole and exclusive benefits of the parties hereto and their successors and of the ETC Holders.

SECTION 10.02. *No Recourse.* No recourse under any obligation, covenant, or agreement of this Agreement or of the guarantees endorsed on any Amended Trust Certificate shall be had against any incorporator, stockholder, officer, or director, as such, past, present, or future, of Itel or Rail, solely by reason of the fact that such Person is an incorporator, stockholder, officer, or director whether by virtue of any constitutional provision, statute, or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitutional provision, statute, or otherwise, of such incorporators, stockholders, officers, or directors, as such, being forever released as a condition of and as consideration for the execution of this Agreement; *provided, however*, that the foregoing shall not constitute release or discharge of Itel and Rail in respect of their respective guarantees of the Amended Trust Certificates or their obligations specifically provided for in this Agreement.

SECTION 10.03. *Amendment or Waiver.*

(a) Except as set forth in paragraph 10.03(b) hereinbelow, the provisions of this Agreement may be amended or waived with the written consent of the holders of not less than two-thirds ($\frac{2}{3}$) of the aggregate unpaid principal amount of all the Amended Trust Certificates; *provided, however*, that if such consent is not obtained from each holder of more than one-third ($\frac{1}{3}$) of the aggregate unpaid principal amount of

the Amended Trust Certificates in any Amended ETC Series, then the provisions of this Agreement may only be amended or waived with the written consent of the holders of not less than three-quarters ($\frac{3}{4}$) of the aggregate unpaid principal amount of all the Amended Trust Certificates.

(b) Notwithstanding anything to the contrary contained in paragraph 10.03(a) hereinabove:

(1) any provision of Section 4.06, 4.07, 4.08, 4.09, 4.10, 6.06, or 6.07 hereinabove, as such provision affects directly the Trust Equipment in an Amended ETC Series Trust, may be amended or waived with the written consent of the holders of not less than two-thirds ($\frac{2}{3}$) of the aggregate unpaid principal amount of the Amended Trust Certificates evidencing interests in such Amended ETC Series Trust;

(2) without the written consent of the holder of each Amended Trust Certificate adversely affected thereby, no amendment or waiver shall (A) reduce the amount of principal of or extend the maturity date of all or any portion of the principal of or reduce the rate or extend the time of payment of interest in respect of such Amended Trust Certificate or change the amount or dates of payment or reduce the redemption prices set forth in Schedule 2 of this Agreement or provided herein in respect of such Amended Trust Certificate or (B) reduce the amount of or extend the time of payment of any rentals payable under this Agreement in respect of such Amended Trust Certificate or release or provide for the release of any of the Trust Equipment or any other property or cash held by the Trustee in the Amended ETC Series Trust in which such Amended Trust Certificate represents an interest, otherwise than as expressly permitted by the present terms of this Agreement;

(3) without the written consent of all the ETC Holders, no amendment or waiver shall reduce the percent of the aggregate unpaid principal amount of Amended Trust Certificates then outstanding, the holders of which are required to approve any amendment or to effect any waiver; and

(4) no amendment or waiver shall modify the rights, duties, or immunities of the Trustee without the prior written consent of the Trustee.

SECTION 10.04. *Binding upon Assigns.* The provisions of this Agreement shall be binding upon and, except as otherwise provided herein, shall inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 10.05. *Notice.* All demands, notices, and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail to (a) in the case of Itel at, One Embarcadero Center, San Francisco, California 94111, Attention of President, or such other address as may hereafter be furnished to the Trustee in writing by Itel, (b) in the case of Rail at, 55 Francisco Street, San Francisco, California 94133, Attention of President, or such other address as may hereafter be furnished to the Trustee in writing by Rail, (c) in the case of the Trustee at, 79 South Main Street, Salt Lake City, Utah 84111, Attention of Trust Department, Corporate Trust Division, with a copy to Itel and Rail, or such other address as may hereafter be furnished to Itel and Rail in writing by the Trustee, and (d) in the case of any ETC Holder, at such address as has heretofore been or as has otherwise been furnished in writing to the Trustee. An affidavit by any person representing or acting on behalf of Itel, Rail, the Trustee, or any ETC Holder as to such mailing, having the registry receipt attached, shall be conclusive evidence of the giving of such demand, notice, or communication.

SECTION 10.06. *Effect of Headings.* The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 10.07. *Date Executed.* This Agreement shall be deemed to have been executed on the date of the acknowledgment thereof by the officer of the Trustee who signed it on behalf of the Trustee.

SECTION 10.08. *Governing Law.* The provisions of this Agreement, and all the rights and obligations of the parties hereunder, shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 10.09. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, and all such counterparts shall constitute but one instrument.

IN WITNESS WHEREOF, IteI, Rail, and the Trustee have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective seals, duly attested, to be hereunto affixed as of the day and year first above written.

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION

By *N. Clayton*
Authorized Officer

[Seal]

Attest:

Randy R. Marchant
Authorized Officer

ITEL CORPORATION

By *W. P. Shroy*
Senior Vice President

[Seal]

Attest:

Mertha Lussman, RTH
Assistant Secretary

ITEL RAIL CORPORATION

By *D. H. Hays*
Vice President

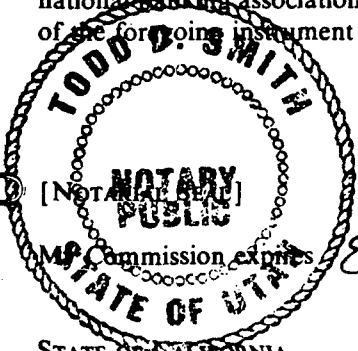
[Seal]

Attest:

Ed S. Poe
Assistant Secretary

STATE OF UTAH }
COUNTY OF Salt Lake } SS.:

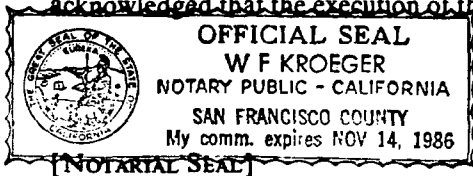
On this 14 day of Sept 1983 before me personally appeared TANTA LEE CLAYTON to me personally known, who, being by me duly sworn, says that ~~ASSISTANT TRUST OFFICER~~ OF FIRST SECURITY BANK OF UTAH, N.A., a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association and that said instrument was signed and sealed on behalf of said national banking association by authority of its board of directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.



[Signature]
Notary Public

STATE OF CALIFORNIA }
COUNTY OF SAN FRANCISCO } SS.:

On this 15 day of Sept 1983, before me personally appeared W.P. Twomey, to me personally known, who, being by me duly sworn, says that he is Sr. U.P. of ITEL CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its By-Laws and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



[Signature]
Notary Public

My Commission expires

STATE OF CALIFORNIA }
COUNTY OF SAN FRANCISCO } SS.:

On this 15 day of Sept 1983, before me personally appeared Desmond P. Hayes, to me personally known, who, being by me duly sworn, says that he is Vice President of ITEL RAIL CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its By-Laws and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



[Signature]
Notary Public

[NOTARIAL SEAL]

My Commission expires

EXHIBIT A

Form of Supplement of Amended Trust Certificate with Guarantees by Itel and Rail.

ITEL CORPORATION

ITEL RAIL CORPORATION

% Amended Equipment Trust Certificates

Series

Total Authorized Issue \$

FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION,
Trustee

Supplement to:

ITEL CORPORATION

% Equipment Trust Certificates

Series

FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION,
Trustee

This supplement, which includes the guarantees of Itel Corporation, a Delaware corporation ("Itel"), and Itel Rail Corporation, a Delaware corporation ("Rail"), reflects that the terms of the Trust Certificate, including payment terms and the guarantee of Itel endorsed thereon, to which it is annexed have been modified by a Consolidated, Amended, and Restated Equipment Trust Agreement (the "Amended Trust Agreement"), dated as of January 1, 1982, among First Security Bank of Utah, National Association (the "Trustee"), Itel, and Rail. When this supplement is duly executed by the Trustee, Itel, and Rail and affixed to the Trust Certificate, duly executed by the trustee thereof, such will constitute an Amended Trust Certificate referred to in the Amended Trust Agreement.

IN WITNESS WHEREOF, the Trustee, Itel, and Rail have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective seals, duly attested, to be hereunto affixed as of the day of

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION

[Seal]

By
Authorized Officer

Attest:

.....
Authorized Officer

ITEL CORPORATION

[Seal]

By

Attest:

ITEL RAIL CORPORATION

[Seal]

By

Attest:

ITEL CORPORATION GUARANTEE

Itel Corporation, a Delaware corporation ("Itel"), for valuable consideration, hereby guarantees to the registered holder of the within Amended Trust Certificate the prompt payment when due of the principal of said Amended Trust Certificate (including any Mandatory Sinking Fund Payments with respect thereto), any premium thereon, and the interest thereon specified in said Amended Trust Certificate, as modified pursuant to the Amended Trust Agreement (as that term is defined in the Supplement affixed to said Amended Trust Certificate). This guarantee shall be enforceable only against the stock of Itel Rail Corporation, a Delaware corporation and a wholly owned subsidiary of Itel ("Rail") pledged by Itel under the Stock Pledge Agreement (as that term is defined in the Amended Trust Agreement) in accordance with the terms and conditions thereof and subject to the limitations set forth therein, and no action, suit, or any other proceeding can be initiated by virtue of this guarantee, which could result in a plaintiff having recourse against such stock of Rail otherwise than under the Stock Pledge Agreement in accordance with the terms and conditions thereof and subject to the limitations set forth therein or against any other asset or property of Itel.

ITEL CORPORATION

By:

[Seal]

Attest:

.....

ITEL RAIL CORPORATION GUARANTEE

Itel Rail Corporation, a Delaware corporation, for valuable consideration, hereby unconditionally guarantees to the registered holder of the within Amended Trust Certificate the prompt payment when due of the principal of said Amended Trust Certificate (including any Mandatory Sinking Fund Payments with respect thereto), any premium thereon, and the interest thereon specified in said Amended Trust Certificate, as modified pursuant to the Amended Trust Agreement (as this term is defined in the Supplement affixed to said Amended Trust Certificate).

ITEL RAIL CORPORATION

By:

[Seal]

Attest:

.....

EXHIBIT B-1

STANDARD BOXCAR LEASE

THIS LEASE AGREEMENT (the "Agreement") made as of this day of , 198 , between ITEL RAIL CORPORATION, a Delaware corporation, 55 Francisco Street, San Francisco, California 94133, as the lessor ("Lessor") and (Name of Lessee), a (State) corporation, (Lessee's Address), as the lessee ("Lessee").

1. *Scope of Agreement*

A. Lessor agrees to lease to Lessee, and Lessee agrees to lease from the Lessor upon the terms and conditions set forth herein, a number of items of equipment of the number, type, construction, and other description set forth in any lease schedules executed by the parties concurrently herewith or hereafter and made a part of this Agreement. The word "Schedule" as used herein includes the Schedule or Schedules executed herewith and any additional Schedules and amendments thereto, each of which when signed by both parties shall be a part of this Agreement. The scheduled items of equipment are hereinafter called collectively the "Cars" and individually a "Car".

B. It is the intent of the parties to this Agreement that Lessor shall at all times be and remain the lessor of all the Cars. Lessee agrees that it will at no time take any action or file any document which is inconsistent with the foregoing intent and that it will take such action and execute such documents as may be necessary to accomplish this intent.

2. *Term*

A. This Agreement shall remain in full force and effect until it is terminated as to all the Cars as provided for herein. The term of this Agreement with respect to each Car described on each Schedule shall commence at 12:00 P.M. on the date and at the location that such Car is repainted and remarked pursuant to Section 3.A. hereof, and shall expire as to all the Cars described on each Schedule, twelve (12) years from the date on which the first Car on such Schedule was remarked (the "Initial Term").

B. If this Agreement has not been earlier terminated and no default has occurred, which is continuing, the Agreement shall automatically be extended for not more than five consecutive periods of twelve (12) months each (the "Extended Term") with respect to all of the Cars described on each Schedule; *provided however*, that Lessor or Lessee may terminate this Agreement at the end of the Initial Term or any Extended Term as to all, but not fewer than all, the Cars on the Schedules by written notice delivered to the other not less than twelve (12) months prior to the end of the Initial Term or any Extended Term.

3. *Supply Provisions*

A. Lessee hereby approves the specifications of the Cars delivered to it by Lessor. Lessor shall, at Lessee's expense, remark the Cars with the railroad markings of Lessee in compliance with all applicable regulations. Each Car shall be deemed delivered and subject to the terms and provisions of this Agreement at 12:00 P.M. on the date and at the location such Car is repainted and remarked. After the Cars have been repainted and remarked, the Cars shall be moved to Lessee's railroad line at no cost to Lessee as soon as is consistent with mutual convenience and economy. Notwithstanding that Lessee may not have immediate physical possession of the Cars leased hereunder, Lessee agrees to pay the rent set forth in this Agreement. To move the Cars to Lessee's railroad line and to ensure optimal use of the Cars after the Initial Loading (as hereinafter defined), Lessor agrees to assist Lessee in monitoring Car movements and, when deemed necessary by Lessee and Lessor, to assist in the issuance of movement orders with respect to such Cars to other railroad lines in accordance with Interstate Commerce Commission ("ICC") and Association of American Railroads ("AAR") interchange rules (the "Interchange Rules"). If Lessor incurs expenses in having other railroads move Cars in accordance with this Section 3, with Lessee's approval, except for any expenses incurred in the initial delivery of such Cars to Lessee's railroad line pursuant to this Section 3, Lessee shall reimburse Lessor for such expenses within ten

(10) days of receipt of an invoice from Lessor. For the purposes hereof, the term "Initial Loading" as to each Car shall be the earlier to occur of either (1) the date such Car shall have been loaded off Lessee's railroad line with the first load of freight, or (2) the thirty-first day after such Car is delivered pursuant to this Section 3.

B. Lessee shall load the Cars leased from Lessor prior to loading any boxcars leased by or assigned to Lessee from other parties subsequent to the date of this Agreement, purchased by Lessee subsequent to the date of this Agreement, or interchanged from other railroads; *provided, however*, that this shall in no event prevent or prohibit Lessee from fulfilling its obligations to provide transportation and facilities upon reasonable request therefor.

C. So long as any or all the Cars on the Schedules remain undelivered, Lessee shall not lease any boxcars from any other party. Additional Cars shall be leased from Lessor by Lessee only upon the mutual agreement of the parties. During the term of this Agreement, Lessor may, at its expense, replace any or all the Cars with similar boxcars upon prior written notice from Lessor to Lessee; *provided, however*, that any such replacement shall not prevent or prohibit Lessee from fulfilling its obligations to provide transportation and facilities.

4. Record Keeping

A. Lessor shall, at its expense and with Lessee's assistance, prepare and file, with respect to the Cars, all documents relating to the registration, maintenance, and record keeping functions normally performed by a railroad with respect to railroad equipment of the type subject to this Agreement. Such matters shall include, but are not limited to: (i) preparation of appropriate AAR interchange agreements with respect to the Cars, (ii) registration of the Cars in the Official Railway Equipment Register and the Universal Machine Language Equipment Register ("UMLER"), and (iii) preparation of any reports as may be required from time to time by the ICC and/or any other regulatory agency with respect to the Cars. Lessee hereby authorizes Lessor to be the subscriber to the car hire exchange tape, Train 61 Junction Advices, and the Train 11 Location Advices with respect to the Cars and agrees to execute any other documents necessary for such authorization.

B. Lessor shall perform all record keeping functions relating to the use of the Cars by Lessee and other railroads, including, but not limited to, car hire reconciliation, collection, and receipt of Revenues (as hereinafter defined in Section 7) from other railroad companies, maintenance and repair, and billing in accordance with the Interchange Rules. Immediately upon receipt from other railroads of any Revenues in the form of a draft, check or other instrument payable to Lessee, Lessor shall be entitled to endorse and deposit such draft, check or other instrument into Lessor's account and to retain such Revenues as set forth in paragraph 7.D hereof. All record keeping performed by Lessor hereunder and all records of payments, charges and correspondence related to the Cars shall be separately recorded and maintained by Lessor in a form suitable for reasonable inspection by Lessee from time to time during Lessor's regular business hours. Upon Lessor's reasonable request, Lessee shall supply Lessor with daily telephone reports of the number of Cars in Lessee's possession or control. Lessee shall, on a monthly basis, supply Lessor with copies of Lessee's interchange records with respect to the Cars interchanged to and from Lessee's railroad line. Upon Lessor's reasonable request, Lessee shall promptly provide Lessor with records of Lessee's car hire payables. In the event Lessee fails to provide Lessor with records of car hire payables, and as a result, a user or handling railroad refuses to pay Revenues (as hereinafter defined in Section 7) owed, Lessee shall, within ten (10) days after Lessor's request, pay to Lessor such unpaid Revenues. Lessor has the right to offset against Lessee's revenue sharing portion set forth in Section 2 of any Schedule, any sums arising out of this Agreement which are owed by Lessee to Lessor but which remain unpaid.

C. If Lessee acquires or leases or has acquired or leased additional equipment bearing the reporting marks of Lessee from a party other than Lessor ("Other Equipment"), Lessor shall perform car hire accounting for the Other Equipment. Lessor and Lessee shall enter into a car hire service agreement ("Car Hire Agreement") associated with Lessor's performance of car hire accounting for the Other Equipment. Under such Car Hire Agreement, Lessor shall, on behalf of Lessee, receive car hire rental and other payments relating to the use and handling of the Other Equipment by other railroads ("Funds") and shall

deposit the Funds into an Agency Bank Account for the purpose of segregating the Funds from the Revenues (as hereinafter defined in Section 7) relating to the Cars so as to insure that the interests of both Lessor and Lessee are protected. Under such Car Hire Agreement, Lessee shall agree to pay to Lessor, on a monthly basis, a fee in an amount equal to Lessor's car hire accounting then current direct operating expenses, associated, on a pro rata basis, with Lessor's performance of car hire accounting for the Other Equipment. Any such Fee shall not exceed \$ per month for each unit of Other Equipment during (Year) (the "Initial Calendar Year"). For each calendar year following the Initial Calendar Year, any such monthly Fee for each unit of Other Equipment shall not exceed an amount which is equal to the product of \$ and the index (hereinafter "Index") in effect at the beginning of such calendar year divided by the Index in effect as of (date). Such Index shall be the "United States: Material Prices, Wages, and Supplements (excluding fuel)" Index listed within the Quarterly Indexes of Railroad Charge-out Prices and Wage Rates as published by the Economics and Finance Department of the Association of American Railroads.

5. Maintenance, Tax, and Insurance

A. Except as otherwise provided herein, Lessor shall, at its expense, perform or have performed all inspections of, maintenance and repairs to, and servicing of the Cars as shall be necessary to maintain the Cars in good operating condition as specified in the Interchange Rules; *provided, however*, that such repair, maintenance and servicing shall be performed at Lessee's expense in the event that it was occasioned by the fault of Lessee, or arises in those instances in which the Interchange Rules would assign responsibility to Lessee for the loss, damage, destruction, or liability requiring such repair, maintenance, or servicing. Lessee shall, at its expense, inspect all Cars interchanged to it to insure that such Cars are in good working order and condition and Lessee shall be liable to Lessor for any repairs required for damage not noted at the time of interchange. Lessee shall use its best efforts to minimize any damages to the Cars which may be caused by any shipper on Lessee's railroad line.

B. Lessor shall also make, at its expense, all alterations, modifications, or replacement of parts as shall be necessary to maintain the Cars in good operating condition. Lessee may make running repairs to facilitate continued immediate use of each Car, but shall not otherwise make any repairs, alterations, improvements, or additions to any Car without Lessor's prior written consent. Lessee shall be liable to Lessor for any revenues lost due to any unauthorized repair, alteration, improvement, or addition. Title to any such alteration, improvement, or addition shall be and remain with Lessor.

C. As long as this Agreement shall remain in effect, Lessee shall be responsible for the Cars (i) while in Lessee's possession or control and (ii) in the same manner that Lessee is responsible under the Interchange Rules for similar equipment not owned by Lessee. Lessee shall, at all times while this Agreement is in effect, at its own expense, cause to be carried and maintained (a) all risk physical loss or damage insurance with respect to the Cars while on Lessee's tracks or in Lessee's care, custody, or control and (b) public liability insurance with respect to third party personal injury and property damage, in each case in such amounts and for such risks and with such insurance companies which are satisfactory to the Lessor. Lessee shall furnish to Lessor concurrently with execution hereof, and thereafter at intervals of not more than twelve (12) calendar months, certificates of insurance evidencing the aforesaid insurance. Lessor shall have the right to obtain a certified copy of each insurance policy upon written request to the Lessee. All insurance shall be taken out in the name of Lessee and shall name Lessor and any assignee of Lessor as additional named insureds and shall also list Lessor and any assignee of Lessor as loss-payees on the insurance policies. Said policies shall provide that Lessor and any assignee of Lessor shall receive thirty (30) days prior written notice of any material changes in coverage or cancellation thereof. In the event that Lessee fails to place insurance, or said insurance expires, Lessor has the right to purchase insurance to protect all interested parties and bill the cost to Lessee. With respect to the additional insured, it is further agreed that the same are entitled to full protection afforded by Lessee's insurance policies, and said policies shall be primary to any other valid and available insurance effected by or for the additional insureds in respect of whom the insurers specifically agree to waive subrogation and/or claim and/or recovery. It is further agreed that each policy will be endorsed evidencing the above, and these endorsements will be evidenced on the certificates of insurance provided to the Lessor. In the event, and

with Lessor's written approval, Lessee shall be permitted to self-insure on any specified interests, Lessee hereby warrants to place Lessor in the same position as if the relating insurance had been effected. Any and all deductibles in the described policies shall be assumed by Lessee.

D. Within thirty (30) days from Lessor's receipt of the receipted copy of the paid tax bill, Lessor agrees to reimburse Lessee for all taxes actually paid in cash by the Lessee resulting from (1) ad valorem tax assessments on the Cars and (2) any assessment, levy or impost relating to each Car, the Agreement, or the delivery of the Cars which remained unpaid as of the date of the delivery of the Cars to Lessee or which are assessed, levied, or imposed during the term of this Agreement, except taxes on income imposed on Lessee and gross receipts or sales and use taxes imposed on the mileage charges and/or car hire revenue or sale or lease of the Cars. Lessor and Lessee will comply with all state and local laws requiring filing of ad valorem tax returns associated with the Cars. Notwithstanding any portion of this Section 5, Lessor shall not be responsible for penalty or interest assessments resulting from Lessee's failure to comply with any regulation or statute of any city, county, state, or other taxing or assessing authority. Lessee shall forward to Lessor upon receipt all correspondence, notifications of proposed tax assessments and tax bills associated with any tax reimbursable by Lessor. Lessor may, in good faith and by appropriate proceedings, contest any assessment or notification of any assessment or tax bill. Lessor shall assume full responsibility for all expenses including legal fees resulting from such contest.

6. Storage

In the event that Lessee's capacity to handle any or all of the Cars on Lessee's railroad tracks is impaired at any time, then Lessee shall be responsible for (1) all reasonable transportation costs incurred to move the Cars to a storage location, (2) all reasonable transportation costs incurred in removing such Cars from the storage location, and (3) the actual costs incurred for the storage of any or all of the Cars. As long as there is sufficient room on Lessee's railroad tracks, Lessee shall store the Cars, if necessary, on its railroad tracks. If Lessor pays for any costs referred to in this Section 6, Lessee shall reimburse Lessor for such cost within ten (10) days from Lessee's receipt of Lessor's invoice. Lessor shall assist Lessee so as to minimize Lessee's exposure under this Section 6.

7. Lease Rental

A. Definitions

(i) "Revenues" shall be the total revenues earned and due from other railroad companies for the use or handling of the Cars, including, but not limited to, per diem and mileage, whether or not collected and received by Lessor and without regard to any claimed abatement, reduction, or offset caused by any action of Lessee; *provided, however*, that upon the occurrence of any such abatement, reduction, or offset, Lessee shall, within ten (10) days of Lessor's request, reimburse Lessor for such amounts.

(ii) The "Utilization Rate" of the Cars shall be determined by a fraction, the numerator of which is the aggregate number of days in each calendar year that Revenues were earned on the Cars commencing from the Initial Loading, and the denominator of which is the aggregate number of days in each calendar year that the Cars are on lease to Lessee, commencing from the Initial Loading.

B. Lessee shall pay Lessor, with respect to each Car, the rent set forth in each applicable Schedule.

C. Lessor shall receive all Revenues earned by the Cars prior to their Initial Loading. Each Car delivered pursuant to paragraph 3.A hereof shall become subject to the rental calculation under Section 2 of the applicable Schedule upon the Initial Loading of such Car.

D. The calculations required in Section 2 of any Schedule shall be made within five (5) months after the end of each calendar year ("Final Calculations"). However, to enable Lessor to meet its financial commitments, Lessor shall, prior to making such calculations, retain the payments received by it on behalf of Lessee. Further, since the parties desire to determine on a quarterly year to date basis the approximate amounts owed under Section 2 of any Schedule, Lessor shall within three (3) months after the end of each

calendar quarter, calculate on a quarterly year to date basis the amount due either party pursuant to this Section 7. Any amounts payable pursuant to the preceding sentence shall be paid promptly following such calculation; *provided, however*, that within twenty (20) days following the Final Calculation, any amount paid to either party in excess of the amounts required shall be refunded to the appropriate party.

E. If, with respect to any calendar quarter, Revenues are less than the applicable Base Rental ("Base Rental" as hereinafter defined in Section 1 of any Schedule attached to and incorporated into this Agreement), Lessor may, at any time, at its option and upon not less than ten (10) days prior written notice to Lessee, terminate this Agreement as to such Cars as Lessor shall determine; *provided, however*, that Lessee may, at its option, within ten (10) days of receipt of such notice from Lessor, void such termination notice by paying to Lessor an amount equal to the difference between actual Revenues for such calendar quarter and Base Rental for such calendar quarter.

F. If, subsequent to the Initial Loading, any Car remains on Lessee's railroad tracks for more than seven (7) consecutive days, excluding those days such Car is undergoing servicing, repair or alteration as provided for in Section 5 hereof unless such servicing, repair or alteration was occasioned by the fault of Lessee, Lessor may, at its option and upon not less than twenty-four (24) hours prior written notice, terminate this Agreement as to such Car and take possession of such Car on Lessee's railroad tracks. If any such Car has remained on Lessee's railroad tracks for more than seven (7) consecutive days because Lessee has not given preference to the Cars as specified in paragraph 3.B hereof, Lessee shall be liable for and remit to Lessor an amount equal to the Revenues which would have been generated if such Car had been in the physical possession and use of another railroad for the entire period during which such Car is on Lessee's railroad line.

G. In the event damage beyond repair or destruction of a Car has been reported in accordance with Rule 107 of the AAR Field Manual of the Interchange Rules and Rule 7 of the AAR Code of Car Hire Rules and Interpretations-Freights, said destroyed Car will be removed from the rental calculations of this Agreement on the date car hire ceased as set forth in the aforementioned Rule 7.

8. Possession and Use

A. So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession, use, and quiet enjoyment of the Cars in accordance with the terms of this Agreement and in the manner and to the extent the Cars are customarily used in the railroad freight business as set forth in paragraph 8.B hereof. However, Lessee's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement entered into by Lessor in connection with the acquisition of the Cars. Accordingly, following notice to Lessee from any such secured party or owner that an event of default has occurred at any time (including at a time prior to the effective date of this Agreement), and is continuing under such financing agreement, such party may require that rentals and other sums due hereunder shall be paid directly to such party, and/or that the Cars immediately be returned to such party. Lessee agrees that to the extent it has physical possession and can control use of the Cars, the Cars shall at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same are operated and in which the same may be located and in compliance with all lawful acts, rules, regulations, and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that either Lessor or Lessee may, in good faith and by appropriate proceedings, contest the application of any such act, rule, regulation, or order in any reasonable manner at the expense of the contesting party.

B. The use of the Cars shall be limited to use by a rail common carrier and the Cars shall always bear the reporting marks of a rail common carrier. During the term of this Agreement, the Cars shall at all times be registered in the Official Railway Equipment Register and the UMLER.

C. Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim arising through it, on, or with respect to the Cars, or any interest therein or in this Agreement or Schedule hereto. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest, or claim if the same shall arise at any time.

9. Default

A. The occurrence of any of the following events shall be an event of default:

(i) the nonpayment by Lessee of any sum required herein to be paid by Lessee within ten (10) days after the date any such payment is due; or

(ii) the breach by Lessee of any other term, covenant, or condition of this Agreement, which is not cured within ten (10) days thereafter; or

(iii) the filing by or against the Lessee of any petition or the initiation by or against the Lessee of any proceeding (a) for any relief which includes, or might result in, any modification of the obligations of the Lessee hereunder or (b) under any bankruptcy, reorganization, insolvency, moratorium, or other laws relating to the relief of debtors, the readjustment of indebtedness, financial reorganization, arrangements with creditors, compositions of indebtedness, or extensions of indebtedness; or

(iv) the subjection of any of Lessee's property to any levy, seizure, assignment, application, or sale for or by any creditor or governmental agency; or

(v) any action by Lessee to discontinue rail service on all or a portion of its track or abandon any of its rail properties pursuant to applicable provisions of the Interstate Commerce Act or the laws of any state.

B. Upon the occurrence of any event of default hereunder, without limiting Lessor's rights and remedies otherwise provided by law which shall be available to Lessor in addition to the following rights and remedies (no right or remedy of Lessor being exclusive but all such rights and remedies being available at all times to Lessor and Lessor in any case being entitled to recover all costs, expenses and attorneys' fees incurred by Lessor in enforcing its rights and remedies hereunder), Lessor may, at its option, terminate this Agreement and/or may

(i) proceed by any lawful means to enforce performance by Lessee of this Agreement or to recover damages for a breach thereof, and/or

(ii) by notice in writing to Lessee, terminate Lessee's right of possession and use of the Cars, whereupon all right and interest of Lessee in the Cars shall terminate, and thereupon Lessor may enter upon any premises where the Cars may be located and take possession of the Cars and henceforth hold, possess, and enjoy the same free from any right of Lessee, and Lessor shall, in addition, have the right to recover from Lessee any and all rental amounts which under the terms of this Agreement may then be due or which may have accrued to that date, together with Lessor's costs and expenses, including reasonable attorneys' fees incurred in securing such enforcement hereof.

10. Expiration or Earlier Termination

A. Event of Expiration

Upon the expiration of this Agreement with respect to any Car, Lessee shall promptly return such Car to Lessor as follows:

(i) If some or all the Cars are to be delivered to Lessor at Lessee's railroad tracks, Lessee shall be responsible for any transportation costs incurred in moving such Cars to Lessee's railroad tracks subsequent to the time of expiration. Lessee shall, at Lessor's option, provide, with respect to any Car described on each Schedule which is either on Lessee's railroad tracks at the time of expiration or is subsequently returned to Lessee's railroad, up to one hundred twenty (120) days free storage on its railroad tracks from the date the last Car on such Schedule is returned to Lessee's railroad line subsequent to the time of expiration. At the option of Lessor, either Lessee or a contractor chosen by Lessor shall at Lessee's expense repaint and restencil the Cars as set forth in paragraph 10.C. hereof. Lessee shall not remove Lessee's railroad marks from any Car without the prior written consent of Lessor. After repainting and restencilling, Lessee shall, at Lessor's option, use its best efforts to load the Cars with freight and deliver them to a connecting carrier for shipment.

(ii) If some or all of the Cars are to be delivered to Lessor at a location other than Lessee's tracks, the cost of assembling, delivering, storing, and transporting each Car to such location shall be borne by Lessor. Upon the expiration of this Agreement with respect to any Car, Lessee shall bear the expense of repainting and restencilling the Cars.

B. Event of Earlier Termination

Upon the earlier termination of this Agreement with respect to any Car, Lessee shall promptly return such Car to Lessor as follows:

(i) If, in the event of earlier termination, pursuant to Section 9 or paragraph 7.E. or 7.F. hereof, some or all the Cars are to be delivered to Lessor at Lessee's railroad tracks, Lessee shall be responsible for any transportation costs incurred in moving such Cars to Lessee's railroad tracks subsequent to the time of earlier termination. Lessee shall, at Lessor's option, provide, with respect to any Car described on each Schedule which is either on Lessee's railroad tracks at the time of earlier termination or is subsequently returned to Lessee's railroad, up to one hundred twenty (120) days free storage on its railroad tracks from the date the last Car on such Schedule is returned to Lessee's railroad line subsequent to the time of expiration. At the option of Lessor, either Lessee or a contractor chosen by Lessor shall, at Lessee's expense, repaint and restencil the Cars as set forth in paragraph 10.C. hereof. Lessee shall not remove Lessee's railroad marks from any Car without the prior written consent of Lessor. After repainting and restencilling, Lessee shall, at Lessor's option, use its best efforts to load the Cars with freight and deliver them to a connecting carrier for shipment.

(ii) If, in the event of earlier termination, some or all of the Cars are to be delivered to Lessor at a location other than Lessee's tracks, whether pursuant to Section 9 or paragraph 7.E. or Subsection 7.F. hereof, the cost of assembling, delivering, storing, and transporting each Car to such location shall be borne by Lessee. Upon the earlier termination of this Agreement with respect to any Car, Lessee shall bear the expense of repainting and restencilling the Cars.

C. (i) Repainting, with respect to each Car, shall include the following:

(a) commercial sandblasting of the sides, ends, doors and, if originally painted the same color as the ends, the visible end portion of the underframe, (b) application of approved primer and finish paint as according to Lessor's specifications, (c) application of mandatory AAR markings with approved stencil paint which includes new reporting marks, car numbers and company logos, and (d) any transportation involved in moving each Car to and from a suitable work area to perform the repainting set forth in this Section 10.

(ii) Restencilling, with respect to each Car, shall include the following:

(a) removal of existing mandatory markings and all company logos of Lessee, (b) complete cleaning subsequent to the removal of markings and company logos as designated by Lessor, (c) application of new mandatory markings and company logos, and (d) any transportation involved in moving each Car to and from a suitable work area to perform the restencilling set forth in this Section 10.

11. Indemnities

A. LESSEE SHALL DEFEND, INDEMNIFY, AND HOLD LESSOR HARMLESS FROM AND AGAINST ANY LOSS, DAMAGE, DESTRUCTION, OR LIABILITY WITH RESPECT TO THE CARS WHICH IS OCCASIONED BY THE FAULT OF LESSEE, OR WHICH OCCURS WHILE THE CARS ARE IN LESSEE'S POSSESSION OR CONTROL, OR IN THOSE INSTANCES IN WHICH THE INTERCHANGE RULES WOULD ASSIGN RESPONSIBILITY FOR SUCH LOSS, DAMAGE, DESTRUCTION, OR LIABILITY TO LESSEE.

B. SUBJECT TO PARAGRAPH 11.A. HEREOF, AND EXCEPT FOR THOSE CLAIMS, CAUSES OF ACTION, DAMAGES, LIABILITIES, COSTS, OR EXPENSES FOR WHICH LESSEE SHALL BE RESPONSIBLE AS SET FORTH HEREIN, LESSOR WILL DEFEND, INDEMNIFY, AND HOLD

LESSEE HARMLESS AGAINST ANY AND ALL LOSS, DAMAGE, OR DESTRUCTION OF OR TO THE CARS, USUAL WEAR AND TEAR EXCEPTED, AND ANY CLAIM, CAUSE OF ACTION, DAMAGE, LIABILITY, COST, OR EXPENSE WHICH MAY BE ASSERTED AGAINST LESSEE WITH RESPECT TO THE CARS, INCLUDING, WITHOUT LIMITATION, THE LEASING OR RETURN OF THE CARS, USE, MAINTENANCE, REPAIR, REPLACEMENT, OR OPERATION OF THE CARS OR THE CONDITION OF THE CARS (WHETHER DEFECTS, IF ANY, ARE LATENT OR ARE DISCOVERABLE BY LESSOR OR LESSEE).

12. Representations, Warranties and Covenants

Lessee represents, warrants and covenants that:

A. Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power, authority, and, insofar as it is material to Lessor's rights under this Agreement, is duly qualified and authorized to do business wherever necessary, to carry out its present business and operations, to own or hold under lease its properties, and to perform its obligations under this Agreement.

B. The entering into and performance of this Agreement will not violate any judgment, order, law, or regulation applicable to Lessee, or result in any breach of, constitute a default under, or result in the creation of any lien, charge, security interest, or other encumbrance upon any assets of Lessee or on the Cars pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

C. There is no action or proceeding pending or threatened against Lessee before any court, administrative agency, or other governmental body which might result in any material adverse effect on the business, properties, and assets, or conditions, financial, or otherwise, of Lessee such that Lessee's ability to perform its obligations hereunder would be materially and adversely affected.

D. There is no fact which Lessee has not disclosed to Lessor in writing, nor is Lessee a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as the Lessee can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition, or properties of the Lessee or the ability of the Lessee to perform its obligation under this Agreement.

13. Inspection

Lessor shall at any time during normal business hours have the right to enter the premises where the Cars may be located for the purpose of inspecting and examining the Cars to insure Lessee's compliance with its obligations hereunder.

14. Miscellaneous

A. This Agreement and the Schedules contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns; *provided, however*, that Lessee may not without the prior written consent of Lessor, assign this Agreement or any of its rights hereunder or sublease any Cars to any party, and any purported assignment or sublease in violation hereof shall be void.

B. Both parties agree to execute the documents contemplated by this Agreement and such other documents as may be required in furtherance of any financing agreement entered into by Lessor or its assignees in connection with the acquisition, financing, or use of the Cars in order to confirm the financing parties' interest in and to the Cars, this Agreement and Schedules hereto and to confirm the subordination provisions contained in Section 8 hereof.

C. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of the Cars only and no joint sale, venture, or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Lessee any right, title, or interest in the Cars, except as a lessee only.

D. No failure or delay by Lessor shall constitute a waiver or otherwise affect or impair any right, power, or remedy available to Lessor nor shall any waiver or indulgence by Lessor or any partial or single exercise of any right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy.

E. This Agreement shall be governed by and construed according to the laws of the State of California.

F. Lessee shall notify Lessor as soon as is practicable of any accident connected with the malfunctioning or operation of the Cars, including in such report, where available, the time, place, and nature of the accident and the damage caused.

G. Lessee shall also notify Lessor in writing within five (5) days after any attachment, tax lien, or other judicial process shall attach to any Car. Lessee shall furnish to Lessor promptly upon its becoming available, a copy of its annual report submitted to the ICC and, when requested, copies of any other income or balance sheet statements required to be submitted to the ICC.

H. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, addressed to the president of the other party at the address set forth herein.

I. The obligations and liabilities of Lessor and Lessee hereunder shall survive the expiration or earlier termination of this Agreement.

J. This Agreement represents the entire agreement between the parties hereto concerning the subject matter contained herein. This Agreement shall not be modified, altered, or amended, except by an agreement in writing signed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ITEL RAIL CORPORATION

[LESSEE]

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

STATE OF CALIFORNIA }
COUNTY OF SAN FRANCISCO } SS:

On this day of , 198 , before me personally appeared , to me personally known, who, being by me duly sworn, says that such person is of Itel Rail Corporation, that the foregoing Lease Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

.....
Notary Public

[NOTARIAL SEAL]

My Commission expires

STATE OF }
COUNTY OF } SS:

On this day of , 198 , before me personally appeared , to me personally known, who, being by me duly sworn, says that such person is of (Name of Lessee), that the foregoing Lease Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

.....
Notary Public

[NOTARIAL SEAL]

My Commission expires

EQUIPMENT SCHEDULE NO.

Itel Rail Corporation hereby leases the following Cars to (Name of Lessee) subject to the terms and conditions of that certain Lease Agreement dated as of

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions Inside Width	Height	Doors Width	No. of Cars
---------------------------	-------------	---------	--------	-------------------------------	--------	----------------	----------------

1. The "Base Rental" shall be defined as the sum equal to the Revenues which the Cars would have earned in the Aggregate at a Utilization Rate of %.

2. Lessee agrees to pay the following rent to Lessor for the use of the Cars:

(a) In the event Revenues earned in any calendar year or applicable portion thereof are equal to or less than the applicable Base Rental, Lessee shall pay to Lessor a sum equal to one hundred percent (100%) of the total Revenues.

(b) In the event Revenues earned exceed the applicable Base Rental in any calendar year, Lessee shall pay to Lessor an amount equal to the applicable Base Rental and Lessee shall receive all Revenues received in excess of the applicable Base Rental.

ITEL RAIL CORPORATION

[LESSEE]

BY:

BY:

TITLE:

TITLE:

DATE:

DATE:

STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO

} ss.:

On this day of , 198 , before me personally appeared , to me personally known, who being by me duly sworn says that such person is of Itel Rail Corporation, that the foregoing Equipment Schedule No. was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

.....
Notary Public

[NOTARIAL SEAL]
My Commission expires

STATE OF
COUNTY OF

} ss.:

On this day of , 198 , before me personally appeared , to me personally known, who being by me duly sworn says that such person is of (Name of Lessee), that the foregoing Equipment Schedule No. was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

.....
Notary Public

[NOTARIAL SEAL]
My Commission expires

EXHIBIT B-2

STANDARD BOXCAR SUBLEASE

THIS SUBLEASE AGREEMENT made as of this _____ day of _____, 198____, between _____, a _____ corporation, _____, as the sublessor ("Sublessor") and _____, a _____ corporation, _____, as the sublessee ("Sublessee").

1. Scope of Sublease

A. Sublessor agrees to lease to Sublessee, and Sublessee agrees to lease from Sublessor upon the terms and conditions set forth herein, a number of items of equipment of the number, type, construction, and other description set forth in lease schedules executed by the parties concurrently herewith or hereafter and made a part of this Sublease. The word "Schedule" as used herein includes the Schedule or Schedules executed herewith and any additional Schedules and amendments thereto, each of which when signed by both parties shall be a part of this Sublease. The scheduled items of equipment are hereinafter called collectively the "Cars" and individually a "Car".

B. It is the intent of the parties to this Sublease that Sublessor shall at all times be and remain the sublessor of all the Cars. Sublessee agrees that it will at no time take any action or file any document which is inconsistent with the foregoing intent and it will take such action and execute such documents as may be necessary to accomplish this intent.

2. Term

A. This Sublease shall remain in full force until it is terminated as to all the Cars as provided herein. The term of this Sublease with respect to each Car described on each Schedule shall commence at 12:00 P.M. on the date and at the location that such Car is repainted and remarked pursuant to paragraph 3.A. hereof, and shall expire as to all the Cars described on each Schedule, twelve (12) years from the date on which the first Car on such Schedule was remarked (the "Initial Term").

B. If this Sublease has not been earlier terminated and no default has occurred which is continuing, this Sublease shall automatically be extended for not more than five consecutive periods of twelve (12) months each (the "Extended Term") with respect to all the Cars described on each Schedule; *provided however*, that Sublessor or Sublessee may terminate this Sublease at the end of the Initial Term or any Extended Term as to all, but not fewer than all, the Cars on the Schedules by written notice delivered to the other not less than twelve (12) months prior to the end of the Initial Term or any Extended Term.

3. Supply Provisions

A. Sublessee hereby approves the specifications of the Cars delivered to it by Sublessor. Sublessor shall, at Sublessee's expense, remark the Cars with the railroad markings of Sublessee in compliance with all applicable regulations. Each Car shall be deemed delivered and subject to the terms and provisions of this Sublease at 12:00 P.M. on the date and at the location such Car is repainted and remarked. After the Cars have been repainted and remarked, the Cars shall be moved to Sublessee's railroad line at no cost to Sublessee as soon as is consistent with mutual convenience and economy. Notwithstanding that Sublessee may not have immediate physical possession of the Cars leased hereunder, Sublessee agrees to pay the rent set forth in this Sublease. To move the Cars to Sublessee's railroad line and to ensure optimal use of the Cars after the Initial Loading (as hereinafter defined), Sublessor agrees to assist Sublessee in monitoring Car movements and, when deemed necessary by Sublessee and Sublessor, to assist in the issuance of movement orders with respect to such Cars to other railroad lines in accordance with Interstate Commerce Commission ("ICC") and Association of American Railroads ("AAR") interchange rules (the "Interchange Rules"). If Sublessor incurs expenses in having other railroads move Cars in accordance with this Section 3 with Sublessee's approval, except for any expenses incurred in the initial delivery of such Cars to Sublessee's railroad line pursuant to this Section 3, Sublessee shall reimburse Sublessor for such expenses

within ten (10) days of receipt of an invoice from Sublessor. For the purposes hereof, the term "Initial Loading" as to each Car, shall be the earlier to occur of either (1) the date such Car shall have been loaded off Sublessee's railroad line with the first load of freight, or (2) the thirty-first day after such Car is delivered pursuant to this Section 3.

B. Sublessee shall load the Cars leased from Sublessor prior to loading any boxcars leased by or assigned to Sublessee from other parties subsequent to the date of this Sublease, purchased by Sublessee subsequent to the date of this Sublease, or interchanged from other railroads; *provided, however*, that this shall in no event prevent or prohibit Sublessee from fulfilling its obligations to provide transportation and facilities upon reasonable request therefor.

C. So long as any or all the Cars on the Schedules remain undelivered, Sublessee shall not lease any boxcars from any other party. Additional Cars shall be leased from Sublessor by Sublessee only upon the mutual agreement of the parties. During the term of this Sublease, Sublessor may, at its expense, replace any or all the Cars with similar boxcars upon prior written notice from Sublessor to Sublessee; *provided, however*, that any such replacement shall not prevent or prohibit Sublessee from fulfilling its obligations to provide transportation and facilities.

4. Record Keeping

A. Sublessor shall, at its expense and with Sublessee's assistance, prepare and file, with respect to the Cars, all documents relating to the registration, maintenance, and record keeping functions normally performed by a railroad with respect to railroad equipment of the type subject to this Sublease. Such matters shall include, but are not limited to (i) preparation of appropriate AAR interchange agreements with respect to the Cars, (ii) registration of the Cars in the Official Railway Equipment Register and the Universal Machine Language Equipment Register ("UMLER"), and (iii) preparation of any reports as may be required from time to time by the ICC and/or any other regulatory agency with respect to the Cars. Sublessor requests and Sublessee hereby agrees and authorizes Itel Rail Corporation ("Itel Rail") to be the subscriber to the car hire exchange tape, Train 61 Junction Advices, and the Train 11 Location Advices with respect to the Cars and agrees to execute any other documents necessary for such authorization.

B. Sublessor shall perform all record keeping functions relating to the use of the Cars by Sublessee and other railroads, including, but not limited to, car hire reconciliation, collection and receipt of Revenues (as hereinafter defined in Section 7) from other railroad companies, maintenance and repair, and billing in accordance with the Interchange Rules. Sublessor requests and Sublessee hereby agrees and authorizes Itel Rail to immediately upon receipt from other railroads of any Revenues in the form of a draft, check, or other instrument payable to Sublessee, endorse and deposit such draft, check, or other instrument into Itel Rail's account and to retain such Revenues as set forth in paragraph 7.D hereof. All record keeping performed by Sublessor hereunder and all records of payments, charges, and correspondence related to the Cars shall be separately recorded and maintained by Sublessor in a form suitable for reasonable inspection by Sublessee from time to time during Sublessor's regular business hours. Upon Sublessor's reasonable request, Sublessee shall supply Sublessor with daily telephone reports of the number of Cars in Sublessee's possession or control. Sublessee shall, on a monthly basis, supply Sublessor with copies of Sublessee's interchange records with respect to the Cars interchanged to and from Sublessee's railroad line. Upon Sublessor's reasonable request, Sublessee shall promptly provide Sublessor with records of Sublessee's car hire payables. In the event Sublessee fails to provide Sublessor with records of car hire payables, and as a result, a user or handling railroad refuses to pay Revenues (as hereinafter defined in Section 7) owed, Sublessee shall, within ten (10) days after Sublessor's request, pay to Sublessor such unpaid Revenues. Sublessor has the right to offset against Sublessee's revenue sharing portion set forth in Section 2 of any Schedule, any sums arising out of this Sublease which are owed by Sublessee to Sublessor but which remain unpaid.

C. If Sublessee acquires or leases or has acquired or leased additional equipment bearing the reporting marks of Sublessee from a party other than Sublessor ("Other Equipment"), Sublessor shall perform car hire accounting for the Other Equipment. Sublessor and Sublessee shall enter into a car hire

service agreement ("Car Hire Agreement") associated with Sublessor's performance of car hire accounting for the Other Equipment. Under such Car Hire Agreement, Sublessor shall, on behalf of Sublessee, receive car hire rental and other payments relating to the use and handling of the Other Equipment by other railroads ("Funds") and shall deposit the Funds into an Agency Bank account for the purpose of segregating the Funds from the Revenues (as hereinafter defined in Section 7) relating to the Cars so as to insure that the interests of both Sublessor and Sublessee are protected. Under such Car Hire Agreement, Sublessee shall agree to pay to Sublessor, on a monthly basis, a fee in an amount equal to Sublessor's car hire accounting then current direct operating expenses, associated, on a pro rata basis, with Sublessor's performance of car hire accounting for the Other Equipment. Any such Fee shall not exceed \$ per month for each unit of Other Equipment during (Year) (the "Initial Calendar Year"). For each calendar year following the Initial Calendar Year, any such monthly Fee for each unit of Other Equipment shall not exceed an amount which is equal to the product of \$ and the index (hereinafter "Index") in effect at the beginning of such calendar year divided by the Index in effect as of (date). Such Index shall be the "United States: Material Prices, Wages, and Supplements (excluding fuel)" Index listed within the Quarterly Indexes of Railroad Charge-out Prices and Wage Rates as published by the Economics and Finance Department of the Association of American Railroads.

5. Maintenance, Tax, and Insurance

A. Except as otherwise provided herein, Sublessor shall, at its expense, perform or have performed all inspections of, maintenance and repairs to, and servicing of the Cars as shall be necessary to maintain the Cars in good operating condition as specified in the Interchange Rules; *provided, however*, that such repair, maintenance and servicing shall be performed at Sublessee's expense in the event that it was occasioned by the fault of Sublessee, or arises in those instances in which the Interchange Rules would assign responsibility to Sublessee for the loss, damage, destruction, or liability requiring such repair, maintenance, or servicing. Sublessee shall, at its expense, inspect all Cars interchanged to it to insure that such Cars are in good working order and condition and Sublessee shall be liable to Sublessor for any repairs required for damage not noted at the time of interchange. Sublessee shall use its best efforts to minimize any damages to the Cars which may be caused by any shipper on Sublessee's railroad line.

B. Sublessor shall also make, at its expense, all alterations, modifications, or replacement of parts as shall be necessary to maintain the Cars in good operating condition. Sublessee may make running repairs to facilitate continued immediate use of each Car, but shall not otherwise make any repairs, alterations, improvements, or additions to any Car without Sublessor's prior written consent. Sublessee shall be liable to Sublessor for any revenues lost due to any unauthorized repair, alteration, improvement, or addition. Title to any such alteration, improvement, or addition shall be and remain with Sublessor.

C. As long as this Sublease shall remain in effect, Sublessee shall be responsible for the Cars (i) while in Sublessee's possession or control and (ii) in the same manner that Sublessee is responsible under the Interchange Rules for similar equipment not owned by Sublessee. Sublessee shall, at all times while this Sublease is in effect, at its own expense, cause to be carried and maintained (a) all risk physical loss or damage insurance with respect to the Cars while on Sublessee's tracks or in Sublessee's care, custody, or control, and (b) public liability insurance with respect to third party personal injury and property damage, in each case in such amounts and for such risks and with such insurance companies which are satisfactory to the Sublessor. Sublessee shall furnish to Sublessor concurrently with execution hereof, and thereafter at intervals of not more than twelve (12) calendar months, certificates of insurance evidencing the aforesaid insurance. Sublessor shall have the right to obtain a certified copy of each insurance policy upon written request to the Sublessee. All insurance shall be taken out in the name of Sublessee and shall name Itel Rail and any assignee of Itel Rail as additional named insureds and shall also list Itel Rail and any assignee of Itel Rail as loss-payees on the insurance policies. Said policies shall provide that Itel Rail and any assignee of Itel Rail shall receive thirty (30) days prior written notice of any material changes in coverage or cancellation thereof. In the event that Sublessee fails to place insurance, or said insurance expires, Sublessor has the right to purchase insurance to protect all interested parties and bill the cost to Sublessee. With respect to the additional insured, it is further agreed that the same are entitled to full protection afforded by Sublessee's insurance policies, and said policies shall be primary to any other valid and

available insurance effected by or for the additional insureds in respect of whom the insurers specifically agree to waive subrogation and/or claim and/or recovery. It is further agreed that each policy will be endorsed evidencing the above, and these endorsements will be evidenced on the certificate of insurance provided to the Sublessor. In the event, and with Sublessor's written approval, Sublessee shall be permitted to self-insure on any specified interests, Sublessee hereby warrants to place Sublessor in the same position as if the relating insurance had been effected. Any and all deductibles in the described policies shall be assumed by Sublessee.

D. Within thirty (30) days from Sublessor's receipt of the receipted copy of the paid tax bill, Sublessor agrees to reimburse Sublessee for all taxes actually paid in cash by Sublessee resulting from (1) ad valorem tax assessments on the Cars and (2) any assessment, levy or impost relating to each Car, the Sublease, or the delivery of the Cars which remained unpaid as of the date of the delivery of the Cars to Sublessee or which are assessed, levied, or imposed during the term of this Sublease, except taxes on income imposed on Sublessee and gross receipts or sales and use taxes imposed on the mileage charges and/or car hire revenue or sale or lease of the Cars. Sublessor and Sublessee will comply with all state and local laws requiring filing of ad valorem tax returns associated with the Cars. Notwithstanding any portion of this Section 5, Sublessor shall not be responsible for penalty or interest assessments resulting from Sublessee's failure to comply with any regulation or statute of any city, county, state, or other taxing or assessing authority. Sublessee shall forward to Sublessor upon receipt all correspondence, notifications of proposed tax assessments and tax bills associated with any tax reimbursable by Sublessor. Sublessor may, in good faith and by appropriate proceedings, contest any assessment or notification of any assessment or tax bill. Sublessor shall assume full responsibility for all expenses including legal fees resulting from such contest.

6. Storage

In the event that Sublessee's capacity to handle any or all of the Cars on Sublessee's railroad tracks is impaired at any time, then Sublessee shall be responsible for (1) all reasonable transportation costs incurred to move the Cars to a storage location, (2) all reasonable transportation costs incurred in removing such Cars from the storage location, and (3) the actual costs incurred for the storage of any or all the Cars. As long as there is sufficient room on Sublessee's railroad tracks, Sublessee shall store the Cars, if necessary, on its railroad tracks. If Sublessor pays for any costs referred to in this Section 6, Sublessee shall reimburse Sublessor for such cost within ten (10) days from Sublessee's receipt of Sublessor's invoice. Sublessor shall assist Sublessee so as to minimize Sublessee's exposure under this Section 6.

7. Lease Rental

A. Definitions

(i) "Revenues" shall be the total revenues earned and due from other railroad companies for the use or handling of the Cars, including, but not limited to, per diem and mileage, whether or not collected and received by Sublessor and without regard to any claimed abatement, reduction, or offset caused by any action of Sublessee; *provided, however*, that upon the occurrence of any such abatement, reduction, or offset, Sublessee shall, within ten (10) days of Sublessor's request, reimburse Sublessor for such amounts.

(ii) The "Utilization Rate" of the Cars shall be determined by a fraction, the numerator of which is the aggregate number of days in each calendar year that Revenues were earned on the Cars commencing from the Initial Loading, and the denominator of which is the aggregate number of days in each calendar year that the Cars are on lease to Sublessee, commencing from the Initial Loading.

B. Sublessee shall pay Sublessor, with respect to each Car, the rent set forth in each applicable Schedule.

C. Sublessor shall receive all Revenues earned by the Cars prior to their Initial Loading. Each Car delivered pursuant to paragraph 3.A hereof shall become subject to the rental calculation under Section 2 of the applicable Schedule upon the Initial Loading of such Car.

D. The calculations required in Section 2 of any Schedule shall be made within five (5) months after the end of each calendar year ("Final Calculations"). However, to enable Sublessor to meet its financial commitments, Sublessor shall, prior to making such calculations, retain the payments received by it on behalf of Sublessee. Further, since the parties desire to determine on a quarterly year to date basis the approximate amounts owed under Section 2 of any Schedule, Sublessor shall within three (3) months after the end of each calendar quarter, calculate on a quarterly year to date basis the amount due either party pursuant to this Section 7. Any amounts payable pursuant to the preceding sentence shall be paid promptly following such calculation, *provided, however*, that within twenty (20) days following the Final Calculation, any amount paid to either party in excess of the amounts required shall be refunded to the appropriate party.

E. If, with respect to any calendar quarter, Revenues are less than the applicable Base Rental ("Base Rental" as hereinafter defined in Section 1 of any Schedule attached to and incorporated into this Sublease), Sublessor may, at any time, at its option and upon not less than ten (10) days prior written notice to Sublessee, terminate this Sublease as to such Cars as Sublessor shall determine; *provided, however*, that Sublessee may, at its option, within ten (10) days of receipt of such notice from Sublessor, void such termination notice by paying to Sublessor an amount equal to the difference between actual Revenues for such calendar quarter and the Base Rental for such calendar quarter.

F. If, subsequent to the Initial Loading, any Car remains on Sublessee's railroad tracks for more than seven (7) consecutive days, excluding those days such Car is undergoing servicing, repair or alteration as provided for in Section 5 hereof unless such servicing, repair or alteration was occasioned by the fault of Sublessee, Sublessor may, at its option and upon not less than twenty-four (24) hours prior written notice, terminate this Sublease as to such Car and take possession of such Car on Sublessee's railroad tracks. If any such Car has remained on Sublessee's railroad tracks for more than seven (7) consecutive days because Sublessee has not given preference to the Cars as specified in paragraph 3.B. hereof, Sublessee shall be liable for and remit to Sublessor an amount equal to the Revenues which would have been generated if such Car had been in the physical possession and use of another railroad for the entire period during which such Car is on Sublessee's railroad line.

G. In the event damage beyond repair or destruction of a Car has been reported in accordance with Rule 107 of the AAR Field Manual of the Interchange Rules and Rule 7 of the AAR Code of Car Hire Rules and Interpretations-Freight, said destroyed Car will be removed from the rental calculations of this Sublease on the date car hire ceased as set forth in the aforementioned Rule 7.

8. Possession and Use

A. So long as Sublessee shall not be in default under this Sublease, Sublessee shall be entitled to the possession, use, and quiet enjoyment of the Cars in accordance with the terms of this Sublease and in the manner and to the extent the Cars are customarily used in the railroad freight business as set forth in paragraph 8.B. hereof. However, Sublessee's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement entered into by ITEL Rail in connection with the acquisition of the Cars. Accordingly, following notice to Sublessee from any such secured party or owner that an event of default has occurred at any time (including at a time prior to the effective date of this Sublease), and is continuing under such financing agreement, such party may require that rentals and other sums due hereunder shall be paid directly to such party, and that the Cars immediately be returned to such party. Sublessee agrees that to the extent it has physical possession and can control use of the Cars, the Cars shall at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same are operated and in which the same may be located and in compliance with all lawful acts, rules, regulations, and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that either Sublessor or Sublessee may in good faith and by appropriate proceedings, contest the application of any such act, rule, regulation, or order in any reasonable manner at the expense of the contesting party.

B. The use of the Cars shall be limited to use by a rail common carrier and the Cars shall always bear the reporting marks of a rail common carrier. During the term of this Sublease, the Cars shall at all times be registered in the Official Railway Equipment Register and the UMLER.

C. Sublessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim arising through it, on, or with respect to the Cars, or any interest therein or in this Sublease or Schedule hereto. Sublessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest, or claim if the same shall arise at any time.

9. Default

A. The occurrence of any of the following events shall be an event of default:

(i) the nonpayment by Sublessee of any sum required herein to be paid by Sublessee within ten (10) days after the date any such payment is due; or

(ii) the breach by Sublessee of any other term, covenant, or condition of this Sublease, which is not cured within ten (10) days thereafter; or

(iii) the filing by or against the Sublessee of any petition or the initiation by or against the Sublessee of any proceeding (a) for any relief which includes, or might result in, any modification of the obligations of the Sublessee hereunder or (b) under any bankruptcy, reorganization, insolvency, moratorium, or other laws relating to the relief of debtors, the readjustment of indebtedness, financial reorganization, arrangements with creditors, compositions of indebtedness, or extensions of indebtedness; or

(iv) the subjection of any of Sublessee's property to any levy, seizure, assignment, application, or sale for or by any creditor or governmental agency; or

(v) any action by Sublessee to discontinue rail service on all or a portion of its track or abandon any of its rail properties pursuant to applicable provisions of the Interstate Commerce Act or the laws of any state.

B. Upon the occurrence of any event of default hereunder, without limiting Sublessor's rights and remedies otherwise provided by law which shall be available to Sublessor in addition to the following rights and remedies (no right or remedy of Sublessor being exclusive but all such rights and remedies being available at all times to Sublessor and Sublessor in any case being entitled to recover all costs, expenses, and attorneys' fees incurred by Sublessor in enforcing its rights and remedies hereunder), Sublessor may, at its option, terminate this Sublease and/or may

(i) proceed by any lawful means to enforce performance by Sublessee of this Sublease or to recover damages for a breach thereof, and/or

(ii) by notice in writing to Sublessee, terminate Sublessee's right of possession and use of the Cars, whereupon all right and interest of Sublessee in the Cars shall terminate, and thereupon Sublessor may enter upon any premises where the Cars may be located and take possession of the Cars and henceforth hold, possess and enjoy the same free from any right of Sublessee and, Sublessor shall, in addition, have the right to recover from Sublessee any and all rental amounts which under the terms of this Sublease may then be due or which may have accrued to that date, together with Sublessor's costs and expenses, including reasonable attorneys' fees incurred in securing such enforcement hereof.

10. Expiration or Earlier Termination

A. Event of Expiration

Upon the expiration of this Sublease with respect to any Car, Sublessee shall promptly return such Car to Sublessor as follows:

(i) If some or all the Cars are to be delivered to Sublessor at Sublessee's railroad tracks, Sublessee shall be responsible for any transportation costs incurred in moving such Cars to Sublessee's railroad tracks subsequent to the time of expiration. Sublessee shall, at Sublessor's option, provide,

with respect to any Car described on each Schedule which is either on Sublessee's railroad tracks at the time of expiration or is subsequently returned to Sublessee's railroad, up to one hundred twenty (120) days free storage on its railroad tracks from the date the last Car on such Schedule is returned to Sublessee's railroad line subsequent to the time of expiration. At the option of Sublessor, either Sublessee or a contractor chosen by Sublessor shall, at Sublessee's expense, repaint and restencil the Cars as set forth in paragraph 10.C. hereof. Sublessee shall not remove Sublessee's railroad marks from any Car without the prior written consent of Sublessor. After repainting and restencilling, Sublessee shall, at Sublessor's option, use its best efforts to load the Cars with freight and deliver them to a connecting carrier for shipment.

(ii) If some or all of the Cars are to be delivered to Sublessor at a location other than Sublessee's tracks, the cost of assembling, delivering, storing, and transporting each Car to such location shall be borne by Sublessor. Upon the expiration of this Sublease with respect to any Car, Sublessee shall bear the expense of repainting and restencilling the Cars.

B. Event of Earlier Termination

Upon the earlier termination of this Sublease with respect to any Car, Sublessee shall promptly return such Car to Sublessor as follows:

(i) If, in the event of earlier termination, some or all of the Cars are to be delivered to Sublessor at Sublessee's railroad tracks, pursuant to Section 9 or paragraph 7.E. or Subsection 7.F. hereof, Sublessee shall be responsible for any transportation costs incurred in moving such Cars to the Sublessee's railroad tracks subsequent to the time of earlier termination. Sublessee shall, at Sublessor's option, provide, with respect to any Car described on each Schedule which is either on Sublessee's railroad tracks at the time of earlier termination or is subsequently returned to Sublessee's railroad, up to one hundred twenty (120) days free storage on its railroad tracks from the date the last Car on such Schedule is returned to Sublessee's railroad line subsequent to the time of expiration. At the option of Sublessor, either Sublessee or a contractor chosen by Sublessor shall at Sublessee's expense, repaint and restencil the Cars as set forth in paragraph 10.C. hereof. Sublessee shall not remove Sublessee's railroad marks from any Car without the prior written consent of Sublessor. After repainting and restencilling, Sublessee shall, at Sublessor's option, use its best efforts to load the Cars with freight and deliver them to a connecting carrier for shipment.

(ii) If, in the event of earlier termination, some or all of the Cars are to be delivered to Sublessor at a location other than Sublessee's tracks, pursuant to Section 9 or paragraph 7.E. or 7.F. hereof, the cost of assembling, delivering, storing, and transporting each Car to such location shall be borne by Sublessee. Upon the earlier termination of this Sublease with respect to any Car, Sublessee shall bear the expense of repainting and restencilling the Cars.

C. (i) Repainting, with respect to each Car, shall include the following: (a) commercial sandblasting of the sides, ends, doors and, if originally painted the same color as the ends, the visible end portion of the underframe, (b) application of approved primer and finish paint as according to Sublessor's specifications, (c) application of mandatory AAR markings with approved stencil paint which includes new reporting marks, car numbers and company logos, and (d) any transportation involved in moving each Car to and from a suitable work area to perform the repainting set forth in this Section 10.

(ii) Restencilling, with respect to each Car, shall include the following: (a) removal of existing mandatory markings and all company logos of Sublessee, (b) complete cleaning subsequent to the removal of markings and company logos as designated by Sublessor, (c) application of new mandatory markings and company logos, and (d) any transportation involved in moving each Car to and from a suitable work area to perform the restencilling set forth in this Section 10.

11. Indemnities

A. SUBLESSEE SHALL DEFEND, INDEMNIFY, AND HOLD SUBLESSOR HARMLESS FROM AND AGAINST ANY LOSS, DAMAGE, DESTRUCTION, OR LIABILITY WITH RESPECT TO THE CARS WHICH IS OCCASIONED BY THE FAULT OF SUBLESSEE, OR WHICH OCCURS WHILE THE CARS ARE IN SUBLESSEE'S POSSESSION OR CONTROL, OR IN

THOSE INSTANCES IN WHICH THE INTERCHANGE RULES WOULD ASSIGN RESPONSIBILITY FOR SUCH LOSS, DAMAGE, DESTRUCTION, OR LIABILITY TO SUBLESSEE.

B. SUBJECT TO PARAGRAPH 11.A. HEREOF, AND EXCEPT FOR THOSE CLAIMS, CAUSES OF ACTION, DAMAGES, LIABILITIES, COSTS, OR EXPENSES FOR WHICH SUBLESSEE SHALL BE RESPONSIBLE AS SET FORTH HEREIN, SUBLESSOR WILL DEFEND, INDEMNIFY, AND HOLD SUBLESSEE HARMLESS AGAINST ANY AND ALL LOSS, DAMAGE, OR DESTRUCTION OF OR TO THE CARS, USUAL WEAR AND TEAR EXCEPTED, AND ANY CLAIM, CAUSE OF ACTION, DAMAGE, LIABILITY, COST, OR EXPENSE WHICH MAY BE ASSERTED AGAINST SUBLESSEE WITH RESPECT TO THE CARS, INCLUDING, WITHOUT LIMITATION, THE LEASING OR RETURN OF THE CARS, USE, MAINTENANCE, REPAIR, REPLACEMENT, OR OPERATION OF THE CARS OR THE CONDITION OF THE CARS (WHETHER DEFECTS, IF ANY, ARE LATENT OR ARE DISCOVERABLE BY SUBLESSOR OR SUBLESSEE).

12. *Representations, Warranties and Covenants*

Sublessee represents, warrants and covenants that:

A. Sublessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power, authority, and, insofar as it is material to Sublessor's rights under this Sublease, is duly qualified and authorized to do business wherever necessary, to carry out its present business and operations, to own or hold under lease its properties, and to perform its obligations under this Sublease.

B. The entering into and performance of this Sublease will not violate any judgment, order, law, or regulation applicable to Sublessee, or result in any breach of, constitute a default under, or result in the creation of any lien, charge, security interest, or other encumbrance upon any assets of Sublessee or on the Cars pursuant to any instrument to which Sublessee is a party or by which it or its assets may be bound.

C. There is no action or proceeding pending or threatened against Sublessee before any court, administrative agency, or other governmental body which might result in any material adverse effect on the business, properties, and assets, or conditions, financial, or otherwise, of Sublessee such that Sublessee's ability to perform its obligations hereunder would be materially and adversely affected.

D. There is no fact which Sublessee has not disclosed to Sublessor in writing, nor is Sublessee a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as the Sublessee can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition, or properties of the Sublessee or the ability of the Sublessee to perform its obligation under this Sublease.

13. *Inspection*

Sublessor shall at any time during normal business hours have the right to enter the premises where the Cars may be located for the purpose of inspecting and examining the Cars to insure Sublessee's compliance with its obligations hereunder.

14. *Conditions of Itel Rail's Consent to Sublease*

Itel Rail hereby gives its written consent for Sublessor and Sublessee to enter into this Sublease for the Cars described on Equipment Schedule No. _____ attached hereto which are subject to a Lease Agreement ("Agreement") dated _____ between Itel Rail, as Lessor and _____, as Lessee. Itel Rail's consent hereunder is specifically conditioned on Sublessor's and Sublessee's agreement hereunder that (1) Sublessor shall remain primarily liable for the payment of the rent set forth in the Agreement and for the performance of all the other terms of the Agreement to be performed by the Sublessor, (2) this Sublease is subject and subordinate to the rights of Itel Rail under the Agreement and to any amendment or modification thereof, and (3) during this Sublease, any reference to Sublessor under the Agreement with respect to any of Sublessor's obligations (but not Sublessor's rights) or any of Itel Rail's rights shall also include Sublessee.

15. Miscellaneous

A. This Sublease and the Schedules contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns; *provided, however*, that Sublessee may not without the prior written consent of Sublessor, assign this Sublease or any of its rights hereunder or sublease any Cars to any party, and any purported assignment or sublease in violation hereof shall be void.

B. Both parties agree to execute the documents contemplated by this Sublease and such other documents as may be required in furtherance of any financing agreement entered into by Sublessor or its assignees in connection with the acquisition, financing, or use of the Cars in order to confirm the financing parties' interest in and to the Cars, this Sublease and Schedules hereto and to confirm the subordination provisions contained in Section 8 hereof.

C. It is expressly understood and agreed by the parties hereto that this Sublease constitutes a lease of the Cars only and no joint sale, venture, or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Sublessee any right, title, or interest in the Cars, except as a sublessee only.

D. No failure or delay by Sublessor shall constitute a waiver or otherwise affect or impair any right, power, or remedy available to Sublessor nor shall any waiver or indulgence by Sublessor or any partial or single exercise of any right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy.

E. This Sublease shall be governed by and construed according to the laws of the State of California.

F. Sublessee shall notify Sublessor as soon as is practicable of any accident connected with the malfunctioning or operation of the Cars, including in such report, where available, the time, place, and nature of the accident and the damage caused.

G. Sublessee shall also notify Sublessor in writing within five (5) days after any attachment, tax lien, or other judicial process shall attach to any Car. Sublessee shall furnish to Sublessor promptly upon its becoming available, a copy of its annual report submitted to the ICC and, when requested, copies of any other income or balance sheet statements required to be submitted to the ICC.

H. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, addressed to the president of the other party at the address set forth herein.

I. The obligations and liabilities of Sublessor and Sublessee hereunder shall survive the expiration or earlier termination of this Sublease.

J. This Sublease represents the entire Agreement between the parties hereto concerning the subject matter contained herein. This Sublease shall not be modified, altered, or amended, except by an agreement in writing signed by the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the date first above written.

[NAME OF
SUBLESSOR]

[NAME OF
SUBLESSEE]

By:

By:

Title:

Title:

Date:

Date:

ACKNOWLEDGMENT AND CONSENT: Itel Rail Corporation

By:

Date:

STATE OF CALIFORNIA }
COUNTY OF SAN FRANCISCO } ss.:

On this day of , 198 , before me personally appeared , to me personally known, who, being by me duly sworn, says that such person is of Itel Rail Corporation, that the foregoing Sublease was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]
My Commission expires

.....
Notary Public

STATE OF }
COUNTY OF } ss.:

On this day of , 198 , before me personally appeared , to me personally known, who, being by me duly sworn, says that such person is of (Name of Sublessee), that the foregoing Sublease was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]
My Commission expires

.....
Notary Public

STATE OF }
COUNTY OF } ss.:

On this day of , 198 , before me personally appeared , to me personally known, who, being by me duly sworn, says that such person is of (Name of Sublessor), that the foregoing Sublease was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]
My Commission expires

.....
Notary Public

EQUIPMENT SCHEDULE NO.

(Sublessor) hereby subleases the following Cars to (Sublessee) subject to the terms and conditions of that certain Sublease dated as of _____.

A.A. R. Mech. Desig.	Description	Numbers	Length	Dimensions Inside Width	Height	Doors Width	No. of Cars
----------------------------	-------------	---------	--------	-------------------------------	--------	----------------	-------------------

1. The "Base Rental" shall be defined as the sum equal to the Revenues which the Cars would have earned in the aggregate at a Utilization Rate of ____ %.

2. Sublessee agrees to pay the following rent to Sublessor for the use of the Cars:

(a) In the event Revenues earned in any calendar year or applicable portion thereof are equal to or less than the applicable Base Rental, Sublessee shall pay to Sublessor a sum equal to one hundred percent (100%) of the total Revenues.

(b) In the event Revenues earned exceed the applicable Base Rental in any calendar year, Sublessee shall pay to Sublessor an amount equal to the applicable Base Rental and Sublessee shall receive all Revenues received in excess of the applicable Base Rental.

[NAME OF
SUBLESSOR]

[NAME OF
SUBLESSEE]

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

ACKNOWLEDGMENT AND CONSENT: Itel Rail Corporation

By: _____

Date: _____

STATE OF CALIFORNIA }
COUNTY OF SAN FRANCISCO } SS.:

On this day of , 198 , before me personally appeared , to
me personally known, who being by me duly sworn says that such person is of Itel Rail
Corporation, that the foregoing Equipment Schedule No. was signed on behalf of said corporation by
authority of its board of directors, and such person acknowledged that the execution of the foregoing
instrument was the free act and deed of said corporation.

.....
Notary Public

[NOTARIAL SEAL]
My Commission expires

STATE OF }
COUNTY OF } SS.:

On this day of , 198 , before me personally appeared
, to me personally known, who being by me duly sworn says that such person is
of (Name of Sublessee), that the foregoing Equipment Schedule No. was signed on behalf of said
corporation by authority of its board of directors, and such person acknowledged that the execution of the
foregoing instrument was the free act and deed of said corporation.

.....
Notary Public

[NOTARIAL SEAL]
My Commission expires

STATE OF }
COUNTY OF } SS.:

On this day of , 198 , before me personally appeared
, to me personally known, who being by me duly sworn says that such person is
of (Name of Sublessor), that the foregoing Equipment Schedule No. was signed on behalf of said
corporation by authority of its board of directors, and such person acknowledged that the execution of the
foregoing instrument was the free act and deed of said corporation.

.....
Notary Public

[NOTARIAL SEAL]
My Commission expires

EXHIBIT C

FORM OF LEASE ASSIGNMENT

ASSIGNMENT OF LEASE AND AGREEMENT dated as of _____, 19 ____ (hereunder called this Assignment), by and between ITEL RAIL CORPORATION, a Delaware corporation ("Rail") and FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, a national banking association, incorporated and existing under the laws of the United States of America (the "Trustee").

WHEREAS, Rail has entered into a Consolidated, Amended, and Restated Equipment Trust Agreement, dated _____, (the "Agreement"), and pursuant to the Agreement, Rail has certain obligations with respect to the Itel Corporation, Itel Rail Corporation % Amended Equipment Trust Certificates, Series _____, due 19 ____, as set forth in Schedule 3 of the Agreement (the "Amended Series Trust Certificates"); and

WHEREAS, Rail and _____ (hereinafter called the Lessee) have entered into a lease of Equipment (as defined in the Agreement) dated as of _____, (the "Lease"), providing for the leasing by Rail to the Lessee of units of the Trust Equipment (as defined in the Agreement); and

WHEREAS, the Lease may also cover the leasing to the Lessee of other equipment not included as part of the Trust Equipment; and

WHEREAS, in order to provide security for the obligations of Rail under the Agreement, Rail agrees to assign for security purposes its rights, to and under the Lease to the Trustee as and only to the extent that the Lease relates to the Trust Equipment;

NOW, THEREFORE, in consideration of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto hereby agree as follows:

1. Rail hereby assigns, transfers, and sets over unto the Trustee, as collateral security for the payment and performance of Rail's obligations under the Agreement with respect to the Amended Series _____ Trust Certificates, all of Rail's rights, title, and interest, powers, privileges, and other benefits under the Lease as and only to the extent that the Lease relates to the Trust Equipment set forth in Annex A hereto, including, without limitation, all rights to receive and collect all rentals, profits, and other sums payable to or receivable by Rail from the Lessee under or pursuant to the provisions of the Lease to the extent that the same are payable in respect of such Trust Equipment, whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys being hereinafter called the Payments); *provided, however, that until a Default or an Event of Default under the Agreement shall occur, it is understood that Rail shall be entitled to collect and receive all the Payments and to make all waivers and agreements, to give all notices, consents, and releases, to take all action upon the happening of an event of default specified in the Lease, and to apply all Payments to which Rail is entitled to the payment of any and all of Rail's obligations under the Agreement and to retain the balance, if any.* In furtherance of the foregoing assignment, but subject to the foregoing provisions of this paragraph, Rail hereby irrevocably authorizes and empowers the Trustee in its own name, in the name of its nominee, or in the name of Rail or as its attorney, to ask, demand, sue for, collect, and receive any and all the Payments to which Rail is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof. Whenever a Lease covers other equipment not included as part of the Trust Equipment and the amount of any payment due to Rail under such Lease as car hire payments (including both straight and incentive per diem), mileage charges, or other rental revenues is calculated on an aggregate basis for all equipment leased thereunder, for the purposes of this Assignment an amount equal to the Assigned Fraction (as hereinafter defined) of each such payment shall be deemed to be payable with respect to such Trust Equipment leased under such Lease. The term "Assigned Fraction" as used herein shall mean a fraction, the numerator of which shall be the number of units of equipment comprising such Trust Equipment leased under such lease and the denominator of which shall be the aggregate number of units of equipment (including such units of Trust Equipment) at the time leased under such lease.

2. This Assignment is executed only as security for the obligations of Rail with respect to the Amended Series Trust Certificates under the Agreement and, therefore, the execution and delivery of this Assignment shall not subject the Trustee to, or transfer, or pass, or in any way affect or modify, the liability of Rail under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of Rail to the Lessee shall be and remain enforceable by the Lessee, its successor and assigns, against, and only against Rail or persons other than the Trustee or any holder of Amended Series Trust Certificates.

3. To protect the security afforded by this Assignment, Rail agrees as follows:

(a) Rail will faithfully abide by, perform, and discharge each and every obligation, covenant, and agreement which the Lease provides is to be performed by Rail;

(b) at Rail's sole cost and expense, Rail will appear in and defend every action or proceeding arising under, growing out of, or in any manner connected with the obligations, duties, or liabilities of Rail under the Lease; and

(c) should Rail fail to make any payment or to do any act which this Assignment requires Rail to make or do, then the Trustee may, but without obligation so to do, after first making written demand upon Rail and affording Rail a reasonable period of time within which to make such payment or do such act, but without releasing Rail from any obligation hereunder, make or do the same in such manner and to such extent as the Trustee may deem necessary to protect the security provided hereby, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof and the rights or powers of the Trustee, and also the right to perform and discharge each and every obligation, covenant, and agreement of Rail contained in the Lease, and in exercising any such powers, the Trustee may pay necessary costs and expenses, employ counsel, and incur and pay reasonable attorneys' fees, and Rail will reimburse the Trustee for such costs, expenses, and fees.

4. Upon the full discharge and satisfaction of all of Rail's obligations under the Agreement and this Assignment, all rights herein assigned to the Trustee shall terminate, and all estate, right, title, and interest of the Trustee in and to the Lease shall revert to Rail.

5. Rail will, from time to time, do and perform any other act and will execute, acknowledge, and deliver and file, register, deposit, and record (and will refile, reregister, rerecord, or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Trustee in order to confirm or further assure the interests of the Trustee hereunder.

6. If an Event of Default shall occur and be continuing under the Agreement, the Trustee may assign all or any of the rights assigned to it hereby or arising under the Lease, including without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Trustee hereunder. The Trustee will give written notice to Rail and the Lessee of any such assignment.

7. This Assignment shall be governed by the laws of the State of New York, but the parties shall be entitled to all rights conferred by the laws of the United States permitting filing with the Interstate Commerce Commission.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective names, by officers thereunto duly authorized, and their respective seals to be affixed and duly attested, all as of the date first above written.

ITEL RAIL CORPORATION

By

[SEAL]

Attest:

.....
Secretary

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION

.....
Senior Trust Officer

[SEAL]

Attest:

.....
Trust Officer

STATE OF }
COUNTY OF } ss.:

On this day of , before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of Ite Rail Corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its by-laws and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

.....
Notary Public

[NOTARIAL SEAL]

My Commission expires

STATE OF }
COUNTY OF } ss.:

On this day of , before me personally appeared , to me personally known, who, being by me duly sworn, says that he is a Senior Trust Officer of First Security Bank of Utah, National Association, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association and that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

.....
Notary Public

[NOTARIAL SEAL]

My Commission expires

ANNEX A

<u>No of Units</u>	<u>Road Numbers</u>	<u>Description</u>	<u>AAR Mechanical Designation</u>
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EXHIBIT D

CALLBACK TRUST AGREEMENT

among

ITEL CORPORATION,

ITEL RAIL CORPORATION,

and

**UNITED JERSEY BANK,
*Callback Trustee***

Dated as of January 1, 1982

CALLBACK TRUST AGREEMENT, dated as of January 1, 1982, among ITEL CORPORATION, a Delaware corporation ("IteI"), ITEL RAIL CORPORATION, a Delaware corporation ("Rail"), and United Jersey Bank, a national banking association incorporated and existing under the laws of the United States of America (the "Callback Trustee").

WHEREAS, Rail, a wholly owned subsidiary of IteI, and IteI have agreed to execute and deliver this Callback Trust Agreement pursuant to the provisions of the Consolidated, Amended, and Restated Equipment Trust Agreement, dated as of the date hereof (the "Amended Trust Agreement"), among IteI, Rail, and FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION, a national banking association incorporated and existing under the laws of the United States of America (the "Trustee"); and

WHEREAS, Rail may make Restricted Payments (as this term is defined in the Amended Trust Agreement) to IteI and/or the Callback Trustee, and IteI is obligated to make payments to Rail of the Callback Amounts (as this term is defined in the Amended Trust Agreement) as provided in subsection 7.04(a) and Section 6.11, respectively, of the Amended Trust Agreement, and the Callback Trustee is obligated to make payments to Rail pursuant to the terms and conditions contained herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

SECTION 1. *Defined Terms.* Unless otherwise defined herein, terms defined in the Amended Trust Agreement shall have such defined meanings when used herein. This is the Callback Trust Agreement referred to therein.

SECTION 2. *Payments by IteI to the Callback Trustee.* IteI agrees that, as long as there shall be an Amended Trust Certificate outstanding, IteI shall:

(a) on the Annual Payment Date for each year, pay to the Callback Trustee cash in an amount equal to the absolute value of the Compliance Amount; *provided, however*, that no such payment shall exceed the Total Callback Amount minus the Trust Fund on such Annual Payment Date or shall be made if (x) the aggregate amount of IteI's Reorganization Securities retired by such date is less than or equal to the amount set forth on Schedule 1 hereto, (y) the Tangible Net Worth of IteI plus the outstanding face amount of the Reorganization Securities on such Annual Payment Date (the aggregate of the principal amount in the case of debt and the redemption price, exclusive of accrued dividends, in the case of preferred stock) is greater than or equal to \$75 million, or (z) the Compliance Amount is a positive number;

(b) upon the occurrence of a Callback Trust Trigger Event, immediately pay to the Callback Trustee cash in an amount equal to the Total Callback Amount minus the Trust Fund;

(c) on the date on which any payment is made in respect of the Reorganization Securities (except interest payments made with respect to the debt securities or dividend payments made with respect to preferred stock in accordance with the terms of such instruments in effect as of the Effective Date), pay to the Callback Trustee cash in an amount equal to the absolute value of the Compliance Amount (determined after giving effect to such payment made in respect of the Reorganization Securities); *provided, however*, that no such payment shall exceed the Total Callback Amount minus the Trust Fund on such date or shall be made if (x) the aggregate amount of the Reorganization Securities retired on and prior to such date is less than or equal to the amount set forth on Schedule 1 hereto, (y) the Tangible Net Worth of IteI plus the outstanding face amount of the Reorganization Securities on such date after giving effect to such payment in respect of the Reorganization Securities is greater than or equal to \$75 million, or (z) the Compliance Amount is a positive number; and

(d) pay or cause to be paid all reasonable expenses and fees and disbursements of the Callback Trustee arising out of or in connection with its duties and obligations arising out of or relating to this Callback Trust Agreement as and when such amounts are billed to IteI by the Callback Trustee.

SECTION 3. *Payments by Rail to the Callback Trustee.* Rail agrees that, as long as there shall be an Amended Trust Certificate outstanding, Rail shall not make any payment to the Callback Trustee except that:

(a) on the Annual Payment Date for each year, Rail may pay to the Callback Trustee cash not in excess of an amount equal to the maximum Restricted Payment permitted to be made on such Annual

Payment Date pursuant to the provisions of subsection 7.04(a) of the Amended Trust Agreement minus the Compliance Amount; *provided, however*, that no such payment shall be made if (x) the aggregate amount of the Reorganization Securities retired by such date is less than or equal to the amount set forth on Schedule 1 hereto, (y) the Tangible Net Worth of Itel plus the outstanding face amount of the Reorganization Securities on such Annual Payment Date is greater than or equal to \$75 million, or (z) the Compliance Amount is a negative number; and

(b) if, on the Annual Payment Date for each year, a Default or Event of Default has occurred and is continuing or if a Callback Trust Trigger Event has occurred, Rail may pay to the Callback Trustee cash not in excess of an amount equal to the maximum Restricted Payment permitted to be made on such Annual Payment Date pursuant to the provisions of subsection 7.04(a) of the Amended Trust Agreement.

SECTION 4. *Payments by the Callback Trustee to Itel.* The Callback Trustee agrees that, as long as there shall be an Amended Trust Certificate outstanding, the Callback Trustee shall:

(a) promptly after receipt by the Callback Trustee of the notice delivered by Rail pursuant to the provisions of subsection 6(b) hereinbelow, but in any event within five Business Days after receipt of such notice, pay to Itel cash in an amount equal to the lesser of (i) the Trust Fund or (ii) the Compliance Amount (to the extent such amount is positive) after giving effect to any payment made on the immediately preceding Annual Payment Date pursuant to the provisions of Section 6.11 of the Amended Trust Agreement; *provided, however*, that such payment shall equal the Trust Fund if (x) the Tangible Net Worth of Itel plus the outstanding face amount of the Reorganization Securities on such Annual Payment Date is greater than or equal to \$75 million or (y) the aggregate amount of the Reorganization Securities retired by such date is less than or equal to the amount set forth on Schedule 1 hereto; and

(b) on the Annual Payment Date for each year, pay to Itel cash in an amount equal to the amount by which the Trust Fund minus the Total Callback Amount is greater than \$0.

SECTION 5. *Payments by the Callback Trustee to Rail.* The Callback Trustee agrees that, as long as there shall be an Amended Trust Certificate outstanding, the Callback Trustee shall:

(a) within five Business Days after the Annual Payment Date for each year, pay to Rail cash in an amount equal to the difference between (i) the Callback Amount and (ii) the amount paid by Itel to Rail pursuant to Section 6.11 of the Amended Trust Agreement on such Annual Payment Date; and

(b) within ten Business Days after the Annual Payment Date for each year, pay to Rail cash in an amount equal to the Trust Fund; *provided, however*, that no such payment shall be made if the Callback Trustee shall have received all notices and other information required to be provided to it pursuant to the provisions of Sections 6 and 7 hereinbelow.

SECTION 6. *Affirmative Covenants of Rail.* Rail agrees that, as long as there shall be an Amended Trust Certificate outstanding, Rail shall deliver to the Callback Trustee:

(a) as soon as available, but in any event no later than twenty Business Days prior to the Annual Payment Date for each year, the audited consolidated balance sheets of Rail and its consolidated Subsidiaries as at the end of such year reported on by the independent certified public accountants of Rail together with an Officer's Certificate signed by the chief executive officer of Rail setting forth the Cumulative Cash Flow of Rail through the close of such year and the Total Callback Amount and the Callback Amount at the close of such year, showing in reasonable detail the basis of the calculations thereof;

(b) promptly, but in any event within two Business Days after the Annual Payment Date, notice, certified by the chief financial officer of Rail, of whether Rail has received a payment from Itel pursuant to the provisions of Section 6.11 of the Amended Trust Agreement on such Annual Payment Date and the amount of such payment; and

(c) promptly, but in any event within two Business Days after the Annual Payment Date, notice, certified by the chief financial officer of Rail, of whether Rail made a payment to Itel pursuant to the provisions of subsection 7.04(a) of the Amended Trust Agreement on such Annual Payment Date and the amount of such payment.

SECTION 7. *Affirmative Covenants of Itel.* Itel agrees that, as long as this Callback Trust Agreement shall remain in effect, Itel shall deliver to the Callback Trustee:

(a) as soon as available, but in any event no later than twenty days prior to the Annual Payment Date for each year, the audited consolidated balance sheets of Itel and its consolidated non-Rail Subsidiaries as at the end of such year reported on by the independent certified public accountants of Itel together with an Officer's Certificate signed by the chief executive officer of Itel setting forth the Tangible Net Worth of Itel and the face amount of the Reorganization Securities outstanding at the close of such year, showing in reasonable detail the basis of the calculations thereof; and

(b) on the date on which any payment is made in respect of the Reorganization Securities (except interest payments made with respect to the debt securities and dividend payments made with respect to preferred stock in accordance with the terms of such instruments in effect as of the Effective Date), an Officer's Certificate setting forth the Tangible Net Worth of Itel as at such date after giving effect to such payment.

SECTION 8. *Status of claims of the Callback Trustee against Itel.* Itel agrees that upon the occurrence of a Callback Trust Trigger Event all amounts owed by Itel to the Callback Trustee pursuant to the terms hereunder shall be, for all purposes, liquidated, fixed, noncontingent, fully matured, and immediately due and payable.

SECTION 9. *Rights and Remedies of the Callback Trustee; Application of Proceeds.*

(a) Upon the failure of Itel to make any payment required hereunder, the Callback Trustee, in its own name and as trustee of an express trust, may, and upon the written direction of the holders of 25% or more in aggregate unpaid principal amount of the Amended Trust Certificates shall, (i) institute a judicial proceeding for the collection of the sums so due and unpaid, (ii) prosecute such proceeding to judgment or final decree, (iii) enforce the same against Itel or any non-Rail subsidiary of Itel and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of Itel or any non-Rail subsidiary of Itel wherever situated, and (iv) proceed to protect and enforce its rights and the rights of Rail and the ETC Holders by such appropriate judicial proceedings as the Callback Trustee shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Callback Trust Agreement or in aid of the exercise of any power granted herein or to enforce any other proper remedy.

(b) Any money collected by the Callback Trustee pursuant to this Section 9 shall be applied first against the expenses of the Callback Trustee and then shall be held and invested pursuant to the provisions of Section 11 hereinbelow and disbursed pursuant to the provisions of Sections 4 and 5 hereinabove.

(c) No right or remedy herein conferred upon or reserved to the Callback Trustee is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

(d) No delay or omission of the Callback Trustee to exercise any right or remedy accruing upon any Default, Event of Default, or Callback Trust Trigger Event shall impair any such right or remedy or constitute a waiver of any such Default, Event of Default, or Callback Trust Trigger Event or an acquiescence therein. Every right and remedy given by this Callback Trust Agreement or by law to the Callback Trustee may be exercised from time to time, and as often as may be deemed expedient, by the Callback Trustee.

SECTION 10. *Control by ETC Holders.* The registered holders of a majority in aggregate unpaid principal amount of all the Amended Trust Certificates, by an instrument or instruments in writing executed and delivered to the Callback Trustee, shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Callback Trustee, or exercising any right or power conferred on the Callback Trustee hereunder; *provided, however*, that the Callback Trustee shall have the right to decline to follow any such direction if the Callback Trustee shall be advised by counsel that the action so directed (i) may not lawfully be taken or (ii) may involve the Callback Trustee in

personal liability as to which the ETC Holders have not agreed to fully indemnify the Callback Trustee. The Callback Trustee may take any other action deemed proper by the Callback Trustee which is not inconsistent with any such direction hereunder.

SECTION 11. *The Callback Trustee.*

(a) The Callback Trustee hereby accepts the trust imposed upon it by this Callback Trust Agreement and covenants and agrees to perform the same as herein expressed.

(b) The Callback Trustee agrees to collect the cash required to be paid to it by Itel or Rail pursuant to Sections 2 and 3 hereinabove, respectively, and, until disbursement to Itel or Rail pursuant to Sections 4 and 5 hereinabove, respectively, to invest such cash in Cash Equivalents.

(c) In case a Default, Event of Default, or Callback Trust Trigger Event has occurred, the Callback Trustee shall exercise such of the rights and powers vested in it by this Callback Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. The Callback Trustee shall not be deemed to have knowledge of any Default, Event of Default, or Callback Trust Trigger Event prior to the time it shall have been given written notification thereof by Itel, Rail, the Trustee, or the holder of at least \$500,000 of the aggregate principal amount of the Amended Trust Certificates then outstanding.

(d) No provision of this Callback Trust Agreement shall be construed to relieve the Callback Trustee from liability for its own negligent action, its own negligent failure to act, or its wilful misconduct, except that:

(1) prior to the occurrence of a Callback Trust Trigger Event or the failure of Itel to make the payments to the Callback Trustee as specified hereunder:

(A) the duties and obligations of the Callback Trustee shall be determined solely by the express provisions of this Callback Trust Agreement, and the Callback Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Callback Trust Agreement, and no implied covenants or obligations shall be read into this Callback Trust Agreement against the Callback Trustee; and

(B) in the absence of bad faith on the part of the Callback Trustee, the Callback Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any Officer's Certificates or opinions of counsel furnished to the Callback Trustee and conforming to the requirements of this Callback Trust Agreement;

(2) the Callback Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Callback Trustee was negligent in ascertaining the pertinent facts; *provided, however,* that the foregoing provisions of this paragraph 11(d)(2) shall not excuse the Callback Trustee from liability for its action or inaction which was contrary to the express provisions of this Callback Trust Agreement;

(3) the Callback Trustee shall not be liable with respect to any action taken, suffered, or omitted to be taken by it in good faith in accordance with the direction of the holders of a majority in aggregate unpaid principal amount of the Amended Trust Certificates relating to the time, method, and place of conducting any proceeding for any remedy available to the Callback Trustee or exercising any trust or power conferred upon the Callback Trustee under this Callback Trust Agreement;

(4) the Callback Trustee may rely and shall be protected in acting or refraining from acting upon any statement, instrument, notice, request, consent, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(5) the Callback Trustee may consult with counsel and any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by it hereunder in good faith and in accordance with such opinion of counsel;

(6) the Callback Trustee shall not be under any obligation to exercise any of its rights or powers vested in it by this Callback Trust Agreement, at the request, order, or direction of any of the holders

of the Amended Trust Certificates, pursuant to the provisions of this Callback Trust Agreement, unless such holders shall have offered to the Callback Trustee reasonable security or indemnity against the costs, expenses, and liabilities which might be incurred therein or thereby; and

(7) the Callback Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Callback Trust Agreement.

(e) None of the provisions contained in this Callback Trust Agreement shall require the Callback Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. Whether or not herein expressly so provided, every provision of this Callback Trust Agreement relating to the conduct or affecting the liability of or affording protection to the Callback Trustee shall be subject to the provisions of this Section 11.

(f) The Callback Trustee shall not be bound by any modification, cancelation, or rescission of this Callback Trust Agreement unless in writing and signed by it, Itel, Rail, and the Trustee in accordance with the provisions of Section 15 hereinbelow.

(g) Itel shall hold the Callback Trustee harmless against any and all loss, liability, cost, or expense in connection herewith, including reasonable attorneys' fees, incurred without wilful misconduct on the part of the Callback Trustee arising out of or in connection with its acceptance of, or the performance of its duties and obligations under, this Callback Trust Agreement as well as the reasonable costs and expenses of defending against any claim or liability arising out of or relating to this Callback Trust Agreement.

SECTION 12. *Resignation and Removal; Appointment of a Successor Callback Trustee.*

(a) The Callback Trustee may resign and be discharged of its obligations hereunder by giving at least thirty days written notice to the Trustee, Itel, and Rail. Such resignation shall take effect upon the receipt by the Callback Trustee of an instrument of acceptance executed by a successor as provided in subsection 12(c) hereinbelow. If the instrument of acceptance by a successor shall not have been delivered to the Callback Trustee within thirty days after the giving of such notice of resignation, the resigning Callback Trustee may petition any court of competent jurisdiction for the appointment of a successor.

(b) The Callback Trustee may be removed at any time by an instrument in writing delivered to the Callback Trustee and to the Trustee, Itel, and Rail signed by the holders of a majority in aggregate unpaid principal amount of all the Amended Trust Certificates.

(c) If at any time the Callback Trustee shall resign or be removed or otherwise become incapable of acting or, if at any time a vacancy shall occur in the office of the Callback Trustee for any other cause, a successor may be appointed by the holders of a majority in aggregate unpaid principal amount of all the Amended Trust Certificates by an instrument in writing delivered to the Trustee, Itel, Rail, and the Callback Trustee. Rail, by an instrument in writing, shall promptly appoint a successor to fill such vacancy until a successor shall be appointed by the ETC Holders as authorized herein. A successor so appointed by Rail shall immediately and without further act be superseded by a successor appointed by the ETC Holders in the manner provided in this subsection 12(c). Every successor appointed pursuant to this subsection 12(c) shall be a national bank or a bank or trust company incorporated under the laws of the United States of America or the State of New York and having a capital and surplus of not less than \$100 million, if there be such an institution willing, qualified, and able to accept such appointment upon reasonable or customary terms. The Callback Trustee shall be entitled to rely on the fact that any successor appointed pursuant to this subsection 12(c) fulfills the requirements hereof.

(d) Rail shall promptly give notice to the Trustee and to the ETC Holders of each resignation or removal of the then Callback Trustee, or of each appointment by Rail of a successor pursuant to the provisions of subsection 12(c) hereinabove, by mailing written notice of such event by first class mail, postage prepaid.

(e) Any successor appointed as provided in subsection 12(c) hereinabove shall execute, acknowledge, and deliver to the Trustee, Itel, Rail, and to its predecessor, an instrument accepting such appointment hereunder and, subject to the provisions of subsection 12(c) hereinabove thereupon the resignation or removal of the predecessor shall become effective and such successor, without any further act, deed, or conveyance, shall become vested with all the rights, powers, duties, and obligations of its predecessor hereunder, with like effect as if originally named as Callback Trustee herein; but, nevertheless, on Request of or on written request of the successor trustee, upon payment of its charges then unpaid, the predecessor ceasing to act shall execute and deliver an instrument transferring to such successor trustee all the rights and powers of the predecessor so ceasing to act. Upon written request of any such successor trustee, Rail and Itel shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any predecessor ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such predecessor to secure any amounts then due it.

(f) Any corporation into which the Callback Trustee may be merged or converted or with which it may be consolidated or any corporation resulting from any merger, conversion, or consolidation to which the Callback Trustee shall be a party shall be the successor of the Callback Trustee hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto or the Trustee, provided such corporation shall be qualified under the provisions of subsection 12(c) hereinabove, anything herein to the contrary notwithstanding.

SECTION 13. *Termination of the Trust.* The trust created hereunder shall terminate upon the earlier of (i) the payment by the Trustee of the last Amended Trust Certificate or (ii) a Transaction effected pursuant to the provisions of paragraph 7.06(a)(2), 7.06(b)(2), or 7.06(c)(2) of the Amended Trust Agreement. Upon termination of the trust, the Callback Trustee shall apply any remaining portion of the Trust Fund against any accrued expenses of the trust and then transfer the remainder of the Trust Fund to Itel.

SECTION 14. *Rights Confined to Parties, the Trustee, and the ETC Holders.* Nothing expressed or implied herein is intended or shall be construed to confer upon or give to any person, firm, or corporation, other than the parties hereto, the Trustee, and the ETC Holders, any right, remedy, or claim under or by reason of this Callback Trust Agreement or of any term, covenant, or condition hereof, and all the terms, covenants, conditions, promises, and agreements contained herein shall be for the sole and exclusive benefits of the parties hereto and their successors and of the Trustee and the ETC Holders and their successors.

SECTION 15. *Amendment or Waiver.* The provisions of this Callback Trust Agreement may only be amended or waived with the written consent of the holders of not less than two-thirds of the aggregate unpaid principal amount of all the Amended Trust Certificates; *provided, however*, that if such consent is not obtained from each holder of more than one-third of the aggregate unpaid principal amount of the Amended Trust Certificates in any Amended ETC Series, then the provisions of this Callback Trust Agreement may only be amended or waived with the written consent of the holders of not less than three-quarters of the aggregate unpaid principal amount of all the Amended Trust Certificates.

SECTION 16. *Severability.* Any provision of this Callback Trust Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 17. *Binding upon Assigns.* Except as otherwise provided herein, the provisions of this Callback Trust Agreement shall be binding upon and shall inure to the benefit of the parties hereto, the Trustee, the ETC Holders, and their respective successors and assigns, including the beneficiaries or distributees of the bankruptcy estate of any party hereto. If a Transaction is effected pursuant to the provisions of paragraph 7.06(a)(1), 7.06(b)(1), or 7.06(c)(1) of the Amended Trust Agreement, then Itel shall be released from the obligations herein and the Acquiring Corporation, in the case of a Transaction effected pursuant to the provisions of paragraph 7.06(a)(1) of the Amended Trust Agreement, and the owners of the Acquiring Corporation, otherwise, shall thereafter assume Itel's obligations hereunder.

SECTION 18. Notice. All demands, notices, and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail to (a) in the case of Itel at, One Embarcadero Center, San Francisco, California 94111, Attention of President, with a copy to the Trustee or such other address as may hereafter be furnished to the Callback Trustee in writing by Itel, (b) in the case of Rail at, 55 Francisco Street, San Francisco, California 94133, Attention of President, with a copy to the Trustee or such other address as may hereafter be furnished to the Callback Trustee in writing by Rail, and (c) in the case of the Callback Trustee at, 210 Main Street, P. O. Box 547, Hackensack, New Jersey 07602, Attention of Corporate Trust Department, with a copy to the Trustee, Itel, and Rail, or such other address as may hereafter be furnished to the Trustee, Itel, and Rail in writing by the Callback Trustee. An affidavit by any person representing or acting on behalf of Itel, Rail, or the Callback Trustee as to such mailing, having the registry receipt attached, shall be conclusive evidence of the giving of such demand, notice, or communication.

SECTION 19. Effect of Headings. The section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 20. Date Executed. This Callback Trust Agreement shall be deemed to have been executed on the date of the acknowledgement thereof by the officer of the Callback Trustee who signed it on behalf of the Callback Trustee.

SECTION 21. Governing Law. The provisions of this Agreement, and all the rights and obligations of the parties hereunder, shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 22. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, and all such counterparts shall constitute but one instrument.

IN WITNESS WHEREOF, Itel, Rail, and the Callback Trustee have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective seals, duly attested, to be hereunto affixed as of the day and year first above written.

ITEL CORPORATION

[SEAL]
Attest:

By:

.....

ITEL RAIL CORPORATION

[SEAL]
Attest:

By:

.....

UNITED JERSEY BANK

[SEAL]
Attest:

By:

.....

STATE OF CALIFORNIA }
COUNTY OF SAN FRANCISCO } ss.:

On this day of , before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of Itel Corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its By-Laws and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

.....
Notary Public

[NOTARIAL SEAL]

My Commission expires

STATE OF CALIFORNIA }
COUNTY OF SAN FRANCISCO } ss.:

On this day of , before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of Itel Rail Corporation, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its By-Laws and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

.....
Notary Public

[NOTARIAL SEAL]

My Commission expires

STATE OF NEW JERSEY }
COUNTY OF } ss.:

On this day of , before me personally appeared , to me personally known, who, being by me duly sworn, says that he is of United Jersey Bank, a national banking association, that one of the seals affixed to the foregoing instrument is the seal of said national banking association and that said instrument was signed and sealed on behalf of said national banking association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.

.....
Notary Public

[NOTARIAL SEAL]

My Commission expires

SCHEDULE 1

<u>On or before</u>	<u>Amount</u>
December 31, 1982	\$100.0 million
December 31, 1983	\$103.9 million
December 31, 1984	\$109.7 million
December 31, 1985	\$113.2 million
December 31, 1986	\$135.5 million
December 31, 1987	\$186.1 million
December 31, 1988	\$222.1 million
December 31, 1989	\$257.7 million
December 31, 1990	\$306.0 million
December 31, 1991	\$364.4 million
December 31, 1992	\$403.8 million
December 31, 1993	\$420.0 million
December 31, 1994	\$420.0 million

EXHIBIT E

MANAGEMENT AGREEMENT

THIS AGREEMENT (the "Agreement") made as of this 30th day of September, 1982, between ITEL CORPORATION, RAIL DIVISION, a Delaware corporation ("IteI Rail") and ITEL CONTAINER INTERNATIONAL B.V., a Netherlands corporation ("BV").

WITNESSETH:

WHEREAS, BV has acquired a number of items of equipment of the number, type, construction and other description set forth in any schedules executed by the parties concurrently herewith or hereafter and made a part of this Agreement. The word "Schedule" as used herein includes the Schedule or Schedules executed herewith and any additional schedules and amendments thereto, each of which when signed by the parties shall be a part of this Agreement. The scheduled items of equipment are hereinafter called collectively the "Trailers" and individually a "Trailer"; and

WHEREAS, IteI Rail is engaged in the business of managing, owning and leasing trailers for IteI Rail and others, and BV has retained IteI Rail for the purpose of performing certain management services with respect to the Trailers on BV's behalf, collecting amounts due to BV with respect to the Trailers, and disbursing funds of BV to pay costs, expenses and obligations of BV with respect to the Trailers, all on the terms and conditions set forth herein.

WHEREAS, the parties hereto have not yet set forth the Agreement under which they have been operating in writing, and now wish to so do.

NOW, THEREFORE, in consideration of the promises and mutual agreements herein contained, the parties hereto agree as follows:

1. Engagement of IteI Rail

A. BV hereby confirms in writing the engagement of IteI Rail to perform certain management services with respect to the Trailers on behalf of BV on the terms and conditions set forth herein, and IteI Rail confirms its acceptance of such engagement and its agreement to act for BV and perform such services in accordance with the terms and conditions hereof.

B. BV hereby confirms its appointment of IteI Rail as its agent, with full power and authority and in the name of IteI Rail (but on behalf of BV), to enter into one or more lease agreements (hereinafter "Lease(s)") with a third party (hereinafter "Lessee(s)") covering the Trailers, excepting however any right to transfer title or to pledge, hypothecate or create extraordinary liens against the trailers, or to do any act or thing inconsistent with BV's ownership rights. Any such Lease shall contain such terms and conditions generally in the form of Exhibit A attached hereto or in a form which shall be mutually agreeable to IteI Rail and BV. IteI Rail and BV hereby confirm their agreement that the performance of all obligations of any Lessee with respect to the Trailers shall be enforced by IteI Rail.

2. Term

This Agreement shall remain in full force until it is terminated as to all of the Trailers as provided herein. The term of this Agreement shall be retroactive to the first day of January 1979, provided, however, that BV or IteI Rail may terminate this Agreement upon ninety (90) days prior written notice delivered to the other party.

3. Duties of IteI Rail

IteI Rail shall provide and perform the services set forth below:

A. IteI Rail shall use due diligence (including investigating the credit worthiness of potential lessees) to enter into Leases on behalf of BV with respect to Trailers and shall supply BV with such information as

Itel Rail may acquire as to potential lessees. Itel Rail, upon BV's request, shall inform such potential lessees of the terms acceptable to BV to lease any Trailer.

B. Within thirty (30) days of entering into a Lease pursuant hereto, Itel Rail shall notify BV of the Trailers to be leased, the commencement date and the expiration date of such Lease and thereafter, notify BV of any termination of such Lease prior to the stated termination thereof.

C. Itel Rail shall perform all of its obligations referred to in any Lease, provided, however, that BV may elect at any time to perform any of the said obligations on its own behalf by not less than thirty (30) days written notice delivered to Itel Rail.

D. Itel Rail shall inspect and accept each Trailer tendered by the manufacturer for delivery to any Lessee, provided, however, that Itel Rail shall not accept any Trailer without BV's consent.

E. Itel Rail shall register the Trailers as agent for BV and file or have filed all required initial and ongoing reports with the AAR, Interstate Commerce Commission ("ICC"), Department of Transportation ("DOT"), Universal Machine Language Equipment Register ("UMLER"), or any other regulatory authority having jurisdiction over the Trailers in order to ensure that the Trailers will be entitled to generate revenues. BV shall supply Itel Rail with all information necessary to complete such filing and registration, including but not limited to the original capitalized costs and construction date with respect to the Trailers.

F. Itel Rail shall maintain complete and accurate books and records of transactions relating to the Trailers in the same form and to the same extent as Itel Rail customarily maintains books and records of its own trailers, subject only to the provisions of Paragraphs 6 and 8. Itel Rail shall retain such books and records for at least three years, make them available for inspection by BV upon forty-eight (48) hours written notice during reasonable business hours, and allow BV to make photocopies at BV's expense. Correspondence from railroads using the Trailers shall be addressed to Itel Rail at such address as Itel Rail shall select.

G. All record-keeping performed by Itel Rail hereunder and all records of payments, charges and correspondence related to the Trailers shall be separately recorded and maintained by Itel Rail in a form suitable for inspection and record keeping by BV.

H. Itel Rail shall monitor and record fleet movement of the Trailers under Itel Rail's normal procedures.

I. Itel Rail shall license each Trailer as directed by BV from time to time at BV's expense.

J. (i) Itel Rail shall perform or have performed all inspections of, maintenance and repairs to, and servicing of the Trailers as shall be necessary to maintain the Trailers in good operating condition as specified in the AAR Interchange Rules for Trailer/Container-On-Flat-Car (TOFC/COFC) Service ("Interchange Rules"). Itel Rail shall also arrange for all alterations, modifications, improvements or replacement of parts as shall be necessary to maintain the Trailers in good operating condition.

(ii) Itel Rail shall maintain, repair and service the Trailers as provided in Section 3.J.(i) hereof, either through its own employees or by means of subcontracts with subcontractors.

(iii) Itel Rail shall pay on behalf of and in the name of BV all costs, charges, assessments or levies ("Charges") imposed upon or against or relating to the Trailers other than Charges payable by and chargeable to the Lessee under any Lease or otherwise. Commensurate with sound business practice, in Itel Rail's discretion and subject to BV's approval, Itel Rail shall defend against collection of any such Charges and seek revision or appeal from any Charges deemed improper, all such action to be in the name of BV. If, in order to pursue such actions, Itel Rail deems it necessary to retain the services of outside counsel or other experts (acceptable to BV), the expense of such counsel or other experts shall be charged as an Operating Expense.

(iv) Itel Rail shall, upon BV's request, inspect any Trailer and report to BV the condition thereof.

K. Itel Rail shall arrange for collection of all per diem and other charges with respect to the Trailers payable by third parties for the use of the Trailers, identifying itself as agent for that purpose, and account for and remit those sums collected and identified by it as provided in paragraph 6.

L. Itel Rail shall, at BV's expense, with respect to any Trailer not on Lease to any Lessee, move the Trailers to any location as BV may designate from time to time.

M. Itel Rail shall, at BV's expense, employ up to two (2) intermodal engineers through December 31, 1981.

N. (i) Itel Rail, at BV's expense, shall arrange for the all-risks physical loss and damage insurance policy maintained by Itel Rail in respect of its own railcars to be extended to cover the Trailers.

(ii) Itel Rail shall furnish BV concurrently with the execution hereof, and thereafter on an annual basis, with certificates of insurance. BV and other financing parties with interests in the Trailers shall be named as loss payees with respect to the insurance required as aforesaid.

(iii) If requested by BV, Itel Rail shall cause the collection or have lessees collect all sums due BV from insurance benefits and railroad indemnity payments in the event of damage to or loss or total destruction of a Trailer and account for and remit such sums as provided in Paragraph 6. If, in order to collect sums due BV, for damage only (but not if for total destruction or loss), Itel Rail deems it necessary to retain the services of outside counsel or other experts (acceptable to BV), the expense of such counsel or other experts shall be borne by BV and be charged as on Operating Expense.

O. If BV is threatened with or made a party to any legal action arising out of its ownership of the Trailers, Itel Rail will notify BV promptly and cooperate in the defense of any such action.

P. Itel Rail shall provide such advice and perform such services incidental to the management of the Trailers as may from time to time be reasonably requested by BV.

4. Revenues and Expenses

As used in this Agreement:

"Gross Revenues" shall mean all revenue (unreduced by any expenses or costs) resulting from the use or operation of the Trailers subject to this Agreement, including but not limited to: (a) per diem; (b) rebill receipts; and (c) indemnity payments or insurance benefits for damage to repairable Trailers. Gross Revenues shall not include any proceeds derived from (a) the sale of Trailers or (b) from insurance or indemnity payments or proceeds from loss or destruction of Trailers.

"Operating Expenses" shall mean the costs and expenses accrued or paid in excess of accruals for the period in connection with the Ownership, use or operation of the Trailers and payable to third parties by BV or for BV's account, including (but not limited to) (a) maintenance; (b) repairs; (c) painting; (d) refurbishing or rebuilding expenses; (e) costs of alterations, modifications, improvements or additions of the type described in Paragraph 7(c); (f) legal fees incurred in connection with enforcing BV's rights; (g) charges, assessments, or levies imposed upon or against the Trailers of whatever kind or nature; (h) insurance premiums; (i) drayage; (j) loading and storage costs; (k) rebill payments; (l) revenue sharing payments; (m) bad debts; and (n) ad valorem, gross receipts and other taxes which are levied against or upon the Trailers and determined by Manager to be attributable to the Trailers (it being understood that it may not be possible to make an exact allocation of such taxes but that Itel Rail will use its best efforts to allocate the Trailers only such portion of the aggregate of such taxes as are attributable to such Trailers); (o) all costs of selling, leasing and relocating Trailers; and (p) all amounts payable by BV to any lessee under any lease out of revenues derived from the use or possession of the Trailers. Operating Expenses do not include (a) Itel Rail's own costs and expenses of providing the Management Services, or (b) BV's cost of capital to purchase the Trailers.

5. Manager's Fee

Effective January 1, 1979, BV shall pay to Itel Rail for all services to be rendered by Itel Rail ("Manager's Fee") an amount per Trailer per month based on the number of Trailers subject to this Agreement at the end of each such month during the Term as follows:

BF Fleet Utilization Percentage for Service Month	Manager's Fee Amount Per Trailer per Month
0%-49.99%.....	\$10.00
50%-59.99%.....	\$15.00
60%-69.99%.....	\$20.00
70%-79.99%.....	\$25.00
80% and above.....	\$30.00

Payment (except for services from January 1, 1979 through the month in which the Amendment is approved by the Court) shall be due on the 20th of the month following that in which the services were rendered, either by direct transfer from the Agency Account (as referred to in paragraph 6) or by direct payment by BV upon invoice from Itel Rail, at BV's discretion. Payment for services from January 1, 1979 through the month in which the Amendment is approved by the Court shall be paid within thirty (30) days after such approval.

6. Collection of Revenues

A. Unless otherwise agreed by BV, all drafts, checks and other instruments of payment or collection which include any Gross Revenues shall be deposited in an agency account (the "Agency Account") opened by BV in a mutually acceptable bank ("Agency Bank") and on terms reasonably acceptable to BV. All payments received from any lessee of Trailers subject to this Agreement that does its own car hire accounting and collection shall also be deposited in this account. It is specifically understood that Itel Rail is acting solely as agent for collection and is not authorized to and shall not collect or accept payment for its own account of any Gross Revenues relating to the Trailers. Itel Rail shall do whatever is commercially reasonable to assure that all Gross Revenues relating to the Trailers are deposited in the Agency Account, or paid directly to BV, to the extent that trucking industry rules or applicable law permit.

B. All funds deposited in the Agency Account shall be forthwith reconciled to segregate those earned by BV's Trailers ("BV's Funds") from funds earned by trailers owned by others ("Other Funds"). BV shall be the sole beneficiary of BV's Funds. Itel Rail, or such other parties as it may have designated, shall be the beneficiary of all Other Funds. Funds "earned" shall include any funds received in connection with the use or operation of BV's Trailers, or trailers owned by others, as the case may be.

C. BV shall remit (or cause Agency Bank to remit) to Itel Rail, subject to audit, an amount equal to Itel Rail's disbursements for Operating Expenses during the preceding month and Manager's Fee for the preceding month. Provided, however, that the first such payments for Manager's Fee for any retroactive period to September 30, 1982 shall be made within thirty (30) days after approval of this Agreement by the Court. All other funds received by Itel Rail shall be remitted to BV.

D. Unless BV elects to pay an Operating Expense directly, if Itel Rail fails to pay Operating Expenses within thirty (30) days after they come due, in addition to its other remedies, BV may withhold Manager's Fees until such expenses are paid.

7. Payment of Operating Expenses

A. Unless otherwise agreed, Itel Rail shall pay Operating Expenses when due. Itel Rail shall be reimbursed monthly by BV for all such expenses paid by Itel Rail.

B. Each alteration, modification, improvement or addition to the Trailers which is required by the AAR, ICC, DOT or other regulatory agency or is otherwise required to comply with applicable laws, regulations or requirements shall be accounted for as an Operating Expense.

C. Any payments, including without limitation insurance benefits or railroad or lessee indemnity payments, received to cover damage to Trailers or loss of rental payments (but not to cover loss or destruction of Trailers) shall be first used to repair all damage to the Trailers and shall then be accounted for as "Gross Revenues".

D. In collecting, receiving or remitting any Gross Revenues and in paying or disbursing any Operating Expenses, Itel Rail is acting solely as agent for BV, and Itel Rail shall promptly deposit in the Agency Bank account any funds received by it as agent for BV, unless otherwise directed by BV.

8. *Reports*

On the 28th day following each service month, Itel Rail will provide BV with information for the preparation of journal vouchers relating to the Trailers for the period. The statements will be prepared using Itel Rail's estimate of Gross Revenues generated during the period from sources normally used by Itel Rail, using generally accepted accounting principles and as required by Paragraphs 3F and 3G and otherwise by this Agreement.

9. *Destruction of Trailers*

A. In the event that any of the Trailers is destroyed while in possession of any railroad, Itel Rail or its designated representative will prepare the appropriate claim for filing in the manner described by the AAR Rules or standards of the industry and use due diligence to recover the value thereof. Itel Rail shall remit any sum so recovered to BV.

B. Any such destroyed Trailer shall no longer be subject to this Agreement as of the month said railroad notifies Itel Rail of the destruction of such Trailer without prejudice to all rights and obligations hereunder accrued at that said date. Any Itel Rail's Fee incurred by BV after the said date and paid by BV with respect to said destroyed Trailer will be reimbursed to BV by Itel Rail.

10. *Indemnification*

BV agrees to indemnify Itel Rail and hold Itel Rail harmless from and against any costs or expenses incurred by Itel Rail or payment required to be made by Itel Rail pursuant to any Lease except for costs or expenses incurred or payments made by Itel Rail in performing the services specified in Section 3 hereof.

11. *Default by Lessee*

A. Itel Rail shall, in case of Lessee default or under other lease termination provisions, and if so directed by BV but not otherwise, terminate such Lease.

B. If the Utilization, as shall be defined in any Lease, of any of the Trailers subject to any Lease falls below the prescribed minimum in any calendar quarter, Itel Rail shall give prompt notice thereof to BV, and shall, if so directed by BV, but not otherwise, terminate the Lease as to any Trailers which BV may specify.

12. *Storage and Care of Trailers*

Itel Rail shall store any Trailer while off-lease in secure locations and shall use reasonable care to protect such Trailers in its possession or under its control from theft and damage. Itel Rail shall be liable to BV for any loss resulting from theft or damage to any Trailer which arises from Itel Rail's negligence or that of its employees.

13. *Termination*

This Agreement shall be effective until terminated by either party for any reason. The terminating party shall give not less than ninety (90) days prior written notice delivered to the other party. Upon termination of this Agreement, Itel Rail shall no longer have the right to manage or control the Trailers and all Trailers in Itel Rail's control shall be made available for pickup by BV or Itel Rail shall effect a

direct transfer of the trailers and records to a third party designated BV. Termination of this Agreement shall not release either party from the obligation to pay any sum of money that then may be owing to the other party or from the obligation to perform any duty or discharge any other liability occurring prior thereto. However, BV shall not by reason of the Termination of this Agreement for whatever cause be liable to Itel Rail for compensation or damages on account of a loss of present or prospective profits, or of any expenditure, investment or commitment made in connection therewith, the establishment, development and maintenance of Itel Rail's business or goodwill. Further, both parties will continue working according to the terms and conditions of this Agreement during said ninety (90) day notice period.

14. Successors and Assigns

This Agreement and the Schedules contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

15. Scope of Appointment

Itel Rail is appointed as agent of BV solely for the purpose of providing operations services and marketing information as enumerated herein. No other employment or other relationship is intended to be created between the parties hereto.

16. Confidentiality

Itel Rail shall not disclose to anyone who is not an employee of Itel Rail or BV the information contained in any reports or any other proprietary or confidential information of BV. Upon termination of this Agreement, all Lessee lists, documents, operation manuals, and materials supplied by BV and other tangible objects in Itel Rail's possession relating to the business of BV shall be promptly returned to BV.

17. Miscellaneous

A. This Agreement shall be governed by and construed according to the laws of the State of California, and any disputes arising hereunder shall be subject to the jurisdiction of the courts of the State of California.

B. This Agreement represents the entire Agreement. This Agreement shall not be modified, altered or amended, except by an agreement in writing signed by the parties.

C. The obligations and liabilities of the parties hereunder shall survive the Termination of this Agreement.

D. This Agreement shall inure to and be binding upon the parties hereto, and their respective successors and assigns, provided, however, that this Agreement shall not be transferred or assigned, voluntarily or involuntarily, in whole or in part, by either party without the prior written consent of the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ITEL CORPORATION,
RAIL DIVISION

By: EDWARD M. O'DEA

Title: President

Date: 11/30/82

ITEL CONTAINER
INTERNATIONAL B.V.

By: J. HSIEH

By: President

Date: 11/29/82

STATE OF CALIFORNIA }
COUNTY OF SAN FRANCISCO } ss.:

On this 30th day of November, 1982, before me personally appeared EDWARD M. O'DEA, to me personally known, who being by me duly sworn says that such person is President of Itel Corporation, Rail Division, that the foregoing Management Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]

..... RANDI C. SMITH

Notary Public

OFFICIAL SEAL
RANDI C. SMITH
NOTARY PUBLIC CALIFORNIA
City & County of
San Francisco

My Commission Expires June 24, 1983

STATE OF CALIFORNIA }
COUNTY OF SAN FRANCISCO } ss.:

On this 29th day of November, 1982, before me personally appeared JOHN HSIEH, to me personally known, who being by me duly sworn says that such person is President of Itel Container International B.V., that the foregoing Management Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]

..... VIVIAN A. DE VERA

Notary Public

OFFICIAL SEAL
VIVIAN A. DE VERA
NOTARY PUBLIC-CALIFORNIA
San Francisco County
My Commission Expires June 10, 1985

LEASE AGREEMENT

THIS LEASE AGREEMENT, made as of this day of , 19 , between ITEL CORPORATION, RAIL DIVISION, a Delaware corporation, Two Embarcadero Center, San Francisco, California 94111 ("Ite Rail"), as Lessor, and ("Lessee"), as Lessee.

1. Scope of Agreement

A. Ite Rail agrees to lease to Lessee, and Lessee agrees to lease from Ite Rail, trailers, containers, chassis, bogies and component parts thereof as set forth in any lease schedules executed by the parties concurrently herewith or hereafter and made a part of this Agreement. The word "Schedule" as used herein includes the Schedule or Schedules executed herewith and any additional Schedules and amendments thereto, each of which when signed by both parties shall be a part of this Agreement. The scheduled items of equipment are hereinafter called "Equipment" or "Item or Items of Equipment."

B. It is the intent of the parties to the Agreement that Ite Rail shall at all times be and remain the Lessor of all Equipment. Lessee agrees that it will at no time take any action or file any document which is inconsistent with the foregoing intent and that it will take such action and execute such documents as may be necessary to accomplish this intent.

2. Term

A. This Agreement shall remain in full force until it shall have been terminated as to all of the Equipment as provided herein. The term of lease with respect to all of the Equipment described on each Schedule shall be for years (the "Initial Term") commencing upon the date when all Equipment on such Schedule shall have been delivered as set forth in section 3A hereof.

B. If this Agreement has not been earlier terminated and no default has occurred and is continuing, it shall automatically be extended for not more than two (2) consecutive periods of twelve (12) months each (the "Extended Lease Term") with respect to all of the Equipment described on each Schedule, provided, however, that Ite Rail or Lessee may terminate this Agreement on or after the Initial Lease Term as to all, but not fewer than all, of the Equipment on any such Schedule by written notice delivered to the other not less than twelve (12) months prior to the end of the Initial Lease Term or any Extended Lease Term.

3. Supply Provisions

A. Ite Rail will inspect each Item of Equipment tendered by the manufacturer for delivery to Lessee. Prior to such inspection, however, Lessee shall confirm in writing to Ite Rail that the sample Item of Equipment which will be made available for Lessee's inspection prior to the commencement of deliveries conforms to the specifications of the Equipment agreed to by Lessee. Upon such approval by Lessee and Ite Rail's determination that the Equipment conforms to the specifications ordered by Ite Rail and to all applicable governmental regulatory specifications, and provided this Agreement has not been terminated, Ite Rail will accept delivery thereof at the manufacturer's facility and shall notify Lessee in writing of such acceptance. Each Item of Equipment shall be deemed delivered to Lessee upon acceptance by Ite Rail. The Equipment shall be moved to Lessee's railroad line at no cost to Lessee as soon after acceptance of delivery by Ite Rail as is consistent with mutual convenience and economy. Due to the nature of railroad operations in the United States, Ite Rail can neither control nor determine when the Equipment leased hereunder will actually be available to Lessee for its use on its railroad tracks. Notwithstanding that Lessee may not have immediate physical possession of the Equipment leased hereunder, Lessee agrees to pay Ite Rail the rent set forth in this Agreement. Lessee may, at its own option, request Ite Rail to ship the Equipment directly to Lessee, whereby Lessee agrees to reimburse Ite Rail for all costs incurred in movement to Lessee. To move the Equipment to Lessee's railroad line and insure optimal use of the Equipment after the first loading of freight for each Item of Equipment on the railroad line of Lessee (the "Initial Loading"), Ite Rail agrees to assist Lessee in monitoring Equipment movements and, when deemed necessary by Lessee and Ite Rail, to issue movement orders with respect to such Equipment to

other railroad lines in accordance with ICC and AAR interchange agreements and rules. Whenever Equipment is used or loaded prior to the Initial Loading, or whenever Lessee notifies Itel Rail that it requires the use of a designated quantity of Equipment, Itel Rail shall not route such Equipment away from Lessee.

B. Lessee agrees that so long as it shall have on lease any Equipment, it shall not lease Equipment from any other party until it shall have received all of the Equipment on the Schedule or Schedules. Additional Equipment shall be leased from Itel Rail by Lessee only upon the mutual agreement of the parties hereto. Upon such agreement, such additional Equipment shall be identified in Schedules to this Agreement and shall benefit from and be subject to this Agreement upon execution of the Schedules by Itel Rail and Lessee. Notwithstanding the execution of any schedules, including Schedules for additional Equipment, the delivery of any Item of Equipment to Lessee shall be subject to manufacturers' delivery schedules, financing satisfactory to Itel Rail and the mutual acknowledgment of the parties that the addition of such Equipment is not likely to reduce Utilization (as defined in section 6) of all Equipment on lease to Lessee to less than percent in any calendar quarter. If, due to the factors listed in the preceding sentence, fewer than all of the Items of Equipment listed on a Schedule shall be delivered to Lessee, the term of the lease shall be deemed to have commenced on the date the final Item of Equipment of the most recent group of Equipment was accepted by Itel Rail as is set forth in Section 3A.

4. Railroad Markings and Record Keeping

A. Itel Rail and Lessee agree that on or before delivery of any Item of Equipment to Lessee, said Equipment will be lettered with the railroad markings of Lessee or such markings as may be assigned for use by Lessee and Itel Rail and may also be marked with the name and/or other insignia used by Lessee. Such name and/or insignia shall comply with all applicable regulations.

B. At no cost to Lessee, Itel Rail shall during the term of this Agreement prepare for Lessee's signature and filing all documents relating to the registration, licensing, maintenance and record keeping functions involving the Equipment. Such documents shall include but are not limited to the following: (1) registration in the Official Intermodal Equipment Register and the Universal Machine Language Equipment Register and (2) such reports as may be required from time to time by the ICC and/or other regulatory agencies.

C. Itel Rail shall, on behalf of Lessee, perform all record keeping functions related to the use of the Equipment by Lessee and other railroads in accordance with AAR Interchange Agreements and rules, such as car hire reconciliation. Correspondence from railroads using such Equipment shall be addressed to Lessee at such address as Itel Rail shall select.

D. All record keeping performed by Itel Rail hereunder and all record of payments, charges and correspondence related to the Equipment shall be separately recorded and maintained by Itel Rail in a form suitable for reasonable inspection by Lessee from time to time during regular Itel Rail business hours. Lessee shall supply Itel Rail with such reports, including daily telephone reports of the number of Items of Equipment in Lessee's possession or control, regarding the use of the Equipment in Lessee's possession or control as Itel Rail may reasonably request.

5. Maintenance, Taxes and Insurance

A. Except as otherwise provided herein, Itel Rail will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each Item of Equipment during the term of this Agreement, including but not limited to replacing worn or damaged parts and tires, repairs, maintenance and servicing, unless the same was occasioned by the fault of Lessee. Lessee shall inspect all Equipment interchanged to it to insure that each Item of Equipment is in good working order and condition and shall be liable to Itel Rail for any repairs required for damage not noted at the time of interchange. During the term of this Agreement, Itel Rail will supply Lessee with such new license plates or tags as may be required to use the Equipment. Lessee shall be responsible for affixing such new licenses or tags to all Items of Equipment on Lessee's railroad tracks or on railroad tracks to which Lessee holds trackage rights subsequent to its receipt of such licenses and tags and shall be liable for all penalties, fines and costs

incurred due to its failure to so affix such license plates or tags. Lessee shall insure that the tires on each Item of Equipment comply with all governmental and state laws and regulations at the time the Equipment leaves Lessee's track for redelivery to Itel Rail.

B. Except as provided above, Itel Rail shall make or cause to be made such inspections of, and maintenance and repairs to, the Equipment as may be required. Itel Rail shall also make, at its expense, all alterations, modifications or replacement of parts as shall be necessary to maintain the Equipment in good operating condition throughout the lease term of such Equipment. Lessee may make running repairs to facilitate continued immediate use of each Item of Equipment, but shall not otherwise make any repairs, alterations, improvements, or additions to any Item of Equipment without Itel Rail's prior written consent and shall be liable to Itel Rail for any revenues lost due to such repair, alteration, improvement or addition. Title to any such alteration, improvement or addition shall be and remain with Itel Rail.

C. Lessee will at all times while this Agreement is in effect be responsible for the Equipment while in Lessee's possession or control in the same manner that Lessee is responsible under AAR Interchange Rules for Trailer/Container-on-Flat-Car Service for similar equipment not owned by Lessee in Lessee's possession or control. Lessee shall protect against the consequences of an event of loss involving the Equipment while in Lessee's possession or control by obtaining physical loss and damage—all risks insurance in the full value of the Equipment. Lessee shall also maintain bodily injury and property damage liability insurance in such sum as may be specified by Itel Rail. Lessee shall furnish Itel Rail concurrently with the execution hereof and thereafter at intervals of not more than 12 calendar months with certificates of insurance with respect to the insurance required as aforesaid signed by an independent insurance broker. All insurance shall be taken out in the name of Lessee and Itel Rail (or its assignee if requested by Itel Rail) as their interests may appear. If Lessee defaults in paying any insurance premium Itel Rail may pay such premium for Lessee's account.

D. Itel Rail agrees to reimburse Lessee for all taxes, assessments and other governmental charges of whatsoever kind or character paid by Lessee relating to each Item of Equipment and on the lease, delivery or operation thereof which may remain unpaid as of the date of delivery of such Item of Equipment to Lessee or which may be accrued, levied, assessed or imposed during the lease term of such Item of Equipment except taxes on income imposed on Lessee and sales or use taxes imposed on per diem. Itel Rail shall forward to Lessee all sales and use tax payments received by it on behalf of Lessee. Itel Rail and Lessee will comply with all state and local taxes requiring the filing of ad valorem tax returns on the Equipment. Itel Rail shall review all applicable tax returns prior to filing.

6. Lease Rental

A. Lessee agrees to pay the following rent to Itel Rail for the use of the Equipment:

(i) Itel Rail shall receive all payments made to Lessee by other railroad companies for their use or handling of the Equipment (all of which payments made to Lessee are hereinafter collectively referred to as "Payments") if the Utilization (as defined below) of all of the Equipment delivered to Lessee on an aggregate basis for each calendar year shall be equal to or less than percent. For the purpose of this Agreement, Utilization of the Equipment shall be defined as a fraction, the numerator of which is the aggregate number of days in each calendar year that car hire payments are earned by Lessee on the Equipment, commencing from the Initial Loading, or the 31st day after release by the manufacturer, whichever shall occur first, and the denominator of which is the aggregate number of days in each calendar year that the Equipment is on lease to Lessee, commencing from the Initial Loading, or the 31st day after release by the manufacturer, whichever shall occur first. In addition, Itel Rail will receive, as additional rental, all monies earned by the Equipment prior to their Initial Loading.

(ii) In the event Utilization exceeds percent in any calendar year, Itel Rail shall receive an amount equal to the Itel Rail Base Rental plus an amount equal to one-half of the Payments earned in excess of the Itel Rail Base Rental. For the purpose hereof, Itel Rail Base Rental shall be an amount equal to the total Payments for the calendar year which is the equivalent of the amount derived from Utilization at percent. (The above determination of Itel Rail Base Rental insures that Lessee

will, if Utilization is greater than percent in any calendar year, receive one-half of the Payments made for use or handling of the Equipment in excess of the Itel Rail Base Rental.)

(iii) If Itel Rail pays other railroads to move Equipment in accordance with Section 3A, except for any expenses incurred to deliver such Equipment to Lessee's railroad line, Lessee shall reimburse Itel Rail for such expenses only from and out of the monies received by Lessee pursuant to subsection 6A(ii).

(iv) The rental charges payable to Itel Rail by Lessee shall be paid from the Payments received by Lessee in the following order until Itel Rail receives the amounts due it pursuant to this section: (1) straight car hire payments; and (2) other.

(v) In the event damage beyond repair or destruction of an Item of Equipment has been reported in accordance with Rule 7-T of the AAR Code of Trailer and Container Per Diem Rules and Charges and the appropriate amount due as a result thereof is received by Itel Rail, said damaged or destroyed Item of Equipment will be removed from the coverage of this Agreement as of the date that payment of car hire payments ceased.

B. The calculations required above shall be made within five (5) months after the end of each calendar year. However, to enable Itel Rail to meet its financial commitments, Itel Rail shall, prior to making such calculations, retain the Payments received by it on behalf of Lessee. Further, since the parties desire to determine on a quarterly basis the approximate amount of the rental charges due Itel Rail, Itel Rail shall within three (3) months after the end of each calendar quarter, calculate on a semi-annual basis for the first year and a quarterly basis thereafter rather than a yearly basis the amount due it pursuant to this section. Lessee shall, within ten (10) days after the three-month period, remit to Itel Rail a sum equal to any difference between Payments received by Itel Rail on behalf of the Lessee and the Itel Rail Base Rental. Following the yearly calculation, any amount paid to either party in excess of the amounts required by the yearly calculation shall be promptly refunded to the appropriate party.

C. Itel Rail may, at its option, terminate this Agreement if the ICC shall, at any time, issue an order reducing the interchange rate applicable to each Item of Equipment below \$ per day without a corresponding increase in other monies available to both Itel Rail and Lessee at least equal in amount to such reduction.

7. Possession and Use

A. So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Equipment in accordance with the terms of this Agreement and in the manner and to the extent Equipment is customarily used in the railroad freight business, provided that Lessee retains possession or control of no more Items of Equipment than are necessary to fulfill its immediate requirements to provide transportation and facilities upon reasonable request therefor to shippers on its railroad tracks. However, Lessee's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement entered into by Itel Rail in connection with the acquisition of the Equipment, i.e., upon notice to Lessee from any such secured party or owner that an event of default has occurred and is continuing under such financing agreement, such party may require that all rent shall be made directly to such party and/or that the Equipment be returned to such party. Lessee agrees that to the extent it has physical possession or can control use of the Equipment, the Equipment will at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same may be located and in compliance with all lawful acts, rules and regulations and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that either Itel Rail or Lessee may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner at the expense of the contesting party.

B. Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Equipment or any

interest therein or in this Agreement or Schedule thereto. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest, or claim if the same shall arise at any time.

8. Default

A. The occurrence of any of the following events shall be an event of default:

(i) The nonpayment by Lessee of any sum required herein to be paid by Lessee within ten (10) days after the date any such payment is due.

(ii) The breach by Lessee of any other term, covenant, or condition of this Agreement, which is not cured within ten (10) days thereafter.

(iii) Any act of insolvency by Lessee, or the filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors.

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against Lessee that is not dismissed within sixty (60) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Lessee unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of said filing or appointment.

(v) The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency.

(vi) Any action by Lessee to discontinue rail service on all or a portion of its tracks or abandon any of its rail properties pursuant to applicable provisions of the Interstate Commerce Act or the laws of any state.

B. Upon the occurrence of any event of default, Itel Rail may, at its option, terminate this Agreement for all or for such Items of Equipment as Itel Rail shall determine (which termination shall not release Lessee from any obligation to pay to Itel Rail any and all rent or other sums that may then be due or accrued to such date or from the obligation to perform any duty or discharge any other liability occurring prior thereto) and may

(i) Proceed by any lawful means to enforce performance by Lessee of such obligations or to recover damages for a breach thereof (and Lessee agrees to bear Itel Rail's costs and expenses, including reasonable attorneys' fees, in securing such enforcement), or

(ii) By notice in writing to Lessee, terminate Lessee's right of possession and use of the Equipment, whereupon all right and interest of Lessee in the Equipment shall terminate; and thereupon Itel Rail may enter upon any premises where the Equipment may be located and take possession of such Equipment and henceforth hold, possess and enjoy the same free from any right of Lessee.

9. Termination

Upon the termination of this Agreement as to any Item of Equipment, Lessee will surrender possession of such Equipment to Itel Rail by delivering the same to Itel Rail. An Item of Equipment shall be no longer subject to this Agreement upon the removal of Lessee's railroad markings from such Item of Equipment and the placing thereon of such markings as may be designated by Itel Rail, either, at the option of Itel Rail, (1) by Lessee upon return of such Equipment to Lessee's possession or control or (2) by another railroad line which has physical possession of the Item of Equipment at the time of or subsequent to termination of the lease term as to such Item of Equipment. If such Equipment is not on the railroad line of Lessee upon termination, any cost of assembling, delivering, storing, and transporting such Equipment to Lessee's railroad line or the railroad line of a subsequent lessee shall be borne by Itel Rail. If such Equipment is on the railroad line of Lessee upon such expiration or termination or is subsequently returned to Lessee's railroad line, Lessee shall at its own expense within five (5) working days remove

Lessee's railroad markings from the Equipment and place thereon such markings as may be designated by Itel Rail. After the removal and replacement of markings, Lessee shall use its best efforts to load such Equipment with freight and deliver such Equipment to a connecting carrier for shipment. Lessee shall provide up to sixty (60) days free storage on its property for Itel Rail or the subsequent Lessee of any terminated Item of Equipment. If any Item of Equipment is terminated pursuant to subsections 6C or section 8 prior to the end of its lease term, Lessee shall be liable to Itel Rail for all costs and expenses incurred by Itel Rail to repaint such Item of Equipment and place thereon the markings and name or other insignia of Itel Rail's subsequent Lessee.

10. Indemnities

Itel Rail will defend, indemnify and hold Lessee harmless from and against (1) any and all loss or damage of or to the Equipment, unless occurring while Lessee has physical possession or control of the Equipment and (2) any claim, cause of action, damage, liability, cost or expense which may be asserted against Lessee with respect to the Equipment (other than loss or physical damage to the Equipment as provided in (1) above) unless occurring through the fault of Lessee or party under Lessee's control who has possession or use of an Item of Equipment, including without limitation the construction, purchase and delivery of Equipment to Lessee's railroad line, ownership, leasing or return of the Equipment, or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects, if any, are latent or are discoverable by Itel Rail or Lessee).

11. Representations, Warranties and Covenants

Lessee represents, warrants and covenants that:

(i) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power, authority and is duly qualified and authorized to do business wherever necessary, to carry out its present business and operations and to own or hold under lease its properties and to perform its obligations under this Agreement.

(ii) The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Equipment pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

(iii) There is no action or proceeding pending or threatened against Lessee before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties and assets, or conditions, financial or otherwise, of Lessee.

(iv) There is no fact which Lessee has not disclosed to Itel Rail in writing, nor is Lessee a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as the Lessee can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of the Lessee or the ability of the Lessee to perform its obligations under this Agreement.

12. Inspection

Itel Rail shall at any time during normal business hours have the right to enter the premises where the Equipment may be located for the purpose of inspecting and examining the Equipment to insure Lessee's compliance with its obligations hereunder. Lessee shall immediately notify Itel Rail of any accident connected with the malfunctioning or operation of the Equipment, including in such report the time, place and nature of the accident and the damage caused, the names and addresses of any persons injured and of witnesses, and other information pertinent to Lessee's investigation of the accident. Lessee shall also notify Itel Rail in writing within five (5) days after any attachment, tax lien or other judicial process shall attach to any Item of Equipment. Lessee shall furnish to Itel Rail promptly upon its becoming available, a copy of its annual report submitted to the ICC and, when requested, copies of any other income or balance sheet statements required to be submitted to the ICC.

13. Miscellaneous

A. This Agreement and the Schedules contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not without the prior written consent of Itel Rail assign this Agreement or any of its rights hereunder or sublease the Equipment to any party, and any purported assignment or sublease in violation hereof shall be void.

B. Both parties agree to execute the documents contemplated by this transaction and such other documents as may be required in furtherance of this Agreement and in furtherance of any financing agreement entered into by Itel Rail in connection with the acquisition of the Equipment in order to confirm the financing party's interest in and to the Equipment, this Agreement and Schedules hereto and to confirm the subordination provisions contained in section 7.

C. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of the Equipment only and no joint venture or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Equipment except as a Lessee only.

D. No failure or delay by either party herein shall constitute a waiver or otherwise affect or impair any right, power or remedy available except as otherwise provided herein; nor shall any waiver or indulgence by either party or any partial or single exercise of any right, power or remedy preclude any other or further exercise of any other right, power or remedy, except as otherwise provided in this Agreement.

E. This Agreement shall be governed by and construed according to the laws of the State of California.

F. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, addressed to the president of the other party at the address set forth above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ITEL CORPORATION
RAIL DIVISION

XXXXXX

By:

By:

Title:

Title:

Date:

Date:

STATE OF CALIFORNIA }
COUNTY OF SAN FRANCISCO } ss.:

On this day of , 1981, before me personally appeared EDWARD M. O'DEA, to me personally known, who being by me duly sworn says that such person is President of Itel Corporation, Rail Division, that the foregoing Agency Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

.....
Notary Public

STATE OF }
COUNTY OF } ss.:

On this day of , 1981, before me personally appeared , to me personally known, who being by me duly sworn says that such person is of Itel Container International B.V., that the foregoing Agency Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

.....
Notary Public

SCHEDULE NO. 1 to the Agreement Dated September 30, 1982 by and between Itel Corporation, Rail Division and Itel Container International B.V.

1. Description

a. 200 Dry Vans suitable for TOFC Service.

b. Inside Dimensions:

Length: 39' 6"

Width: 7' 8"

Height: 8' 9"

c. Type of Door: Swing

d. Type of Suspension: Slider

2. Serial Numbers

225004-225203

3. Destroyed Trailers

The Agreement, with respect to only the following destroyed Trailers, shall be considered terminated (as set forth in Section 9.B. of the Agreement) within the corresponding month/year listed below:

<u>SERIAL #</u>	<u>DATE</u>
225024	8/79
225062	12/80

ITEL CORPORATION,
RAIL DIVISION

By: EDWARD M. O'DEA

Title: President

Date: September 7, 1983

ITEL CONTAINER
INTERNATIONAL B.V.

By: J. HSIEH

Title: President

Date: September 8, 1983

SCHEDULE NO. 2 to the Agreement Dated September 30, 1982 by and between ITEL Corporation, Rail Division and ITEL Container International B.V.

1. Description

a. 100 Dry Vans suitable for TOFC Service.

b. Inside Dimensions:

Length: 39' 6"

Width: 7' 8"

Height: 8' 9"

c. Type of Door: Swing

d. Type of Suspension: Slider

2. Serial Numbers

227936-228035

3. Destroyed Trailers

The Agreement, with respect to only the following destroyed Trailers, shall be considered terminated (as set forth in Section 9.B. of the Agreement) within the corresponding month/year listed below.

<u>SERIAL #</u>	<u>DATE</u>
227944	2/79
227991	4/80
228014	2/79

ITEL CORPORATION,
RAIL DIVISION

By: EDWARD M. O'DEA

Title: President

Date: September 7, 1983

ITEL CONTAINER
INTERNATIONAL B.V.

By: J. HSIEH

Title: President

Date: September 8, 1983

SCHEDULE NO. 3 to the Agreement Dated September 30, 1982 by and between Itel Corporation, Rail Division and Itel Container International B.V.

1. Description

a. 200 Dry Vans suitable for TOFC Service.

b. Inside Dimensions:

Length: 39' 6"

Width: 7' 8"

Height: 8' 9"

c. Type of Door: Swing

d. Type of Suspension: Slider

2. Serial Numbers

228136-228335

3. Destroyed Trailers

The Agreement, with respect to only the following destroyed Trailers, shall be considered terminated (as set forth in Section 9.B. of the Agreement) within the corresponding month/year listed below:

SERIAL #

DATE

228207

6/80

ITEL CORPORATION,
RAIL DIVISION

ITEL CONTAINER
INTERNATIONAL B.V.

By: EDWARD M. O'DEA

By: J. HSIEH

Title: President

Title: President

Date: September 7, 1983

Date: September 8, 1983

SCHEDULE NO. 4 to the Agreement Dated September 30, 1982 by and between Itel Corporation, Rail Division and Itel Container International B.V.

1. Description

a. 600 Dry Vans suitable for TOFC Service.

b. Inside Dimensions:

Length: 39' 6"

Width: 7' 8"

Height: 8' 9"

c. Type of Door: Swing

d. Type of Suspension: Slider

2. Serial Numbers

228336-228935

3. Destroyed Trailers

The Agreement, with respect to only the following destroyed Trailers, shall be considered terminated (as set forth in Section 9.B. of the Agreement) within the corresponding month/year listed below.

<u>SERIAL #</u>	<u>DATE</u>
228396	10/79
228435	8/82
228567	4/80
228655	8/80
228709	1/81

**ITEL CORPORATION,
RAIL DIVISION**

By: EDWARD M. O'DEA

Title: President

Date: September 7, 1983

**ITEL CONTAINER
INTERNATIONAL B.V.**

By: J. HSIEH

Title: President

Date: September 8, 1983

STATE OF CALIFORNIA }
COUNTY OF SAN FRANCISCO } ss.:

On this 7th day of September, 1983, before me personally appeared EDWARD M. O'DEA, to me personally known, who being by me duly sworn says that such person is President of Itel Corporation, Rail Division, that the foregoing Schedule Nos. 1, 2, 3 and 4 were signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

.....
JUNE R. FOUCHÉ

Notary Public

[SEAL]

OFFICIAL SEAL
JUNE R. FOUCHÉ
NOTARY PUBLIC-CALIFORNIA
San Francisco County
My Commission Expires May 8, 1987

STATE OF CALIFORNIA }
COUNTY OF SAN FRANCISCO } ss.:

On this 8th day of September, 1983, before me personally appeared JOHN HSIEH, to me personally known, who being by me duly sworn says that such person is President of Itel Container International B.V., that the foregoing Schedule Nos. 1, 2, 3 and 4 were signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

.....
VIVIAN A. DE VERA

Notary Public

[SEAL]

OFFICIAL SEAL
VIVIAN A. DE VERA
NOTARY PUBLIC-CALIFORNIA
San Francisco County
My Commission Expires June 10, 1985

EXHIBIT F

STOCK PLEDGE AGREEMENT

between

ITEL CORPORATION

and

**FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION, Trustee**

Dated as of September 19, 1983

STOCK PLEDGE AGREEMENT, dated as of September 19, 1983, between **ITEL CORPORATION**, a Delaware corporation ("Itel") and **FIRST SECURITY BANK OF UTAH, NATIONAL ASSOCIATION**, a national banking association incorporated and existing under the laws of the United States of America (the "Trustee").

WHEREAS, Itel is being reorganized under chapter 11 of title 11 of the United States Code, and a plan of reorganization (the "Plan") has been confirmed by the United States Bankruptcy Court for the Northern District of California; and

WHEREAS, the Trustee under this Stock Pledge Agreement is the Trustee under the Consolidated, Amended, and Restated Equipment Trust Agreement (the "Amended Trust Agreement"), dated as of the date hereof, and entered into by the parties hereto and **ITEL RAIL CORPORATION**, a Delaware corporation ("Rail"), and is also the Trustee under the 1977 Series 3 Equipment Trust Agreements (as hereinafter defined); and

WHEREAS, pursuant to the Plan, Rail, a wholly owned subsidiary of Itel, has been created to succeed to the business of Itel's Rail Division and assume Itel's rail related obligations, including Itel's obligations in respect of (i) the Amended Trust Certificates and the rental payable in respect of the Trust Equipment (as such terms are defined in the Amended Trust Agreement) and (ii) the five lease transactions more fully described on Schedule A hereto (each a "Lease Agreement" and collectively, the "Lease Agreements"); and

WHEREAS, Itel has agreed to execute and deliver this Stock Pledge Agreement in connection with, and pursuant to, the Plan and the Amended Trust Agreement and to grant to the Trustee, the holders of Trust Certificates and Amended Trust Certificates (each such holder an "ETC Holder" and all such holders collectively, the "ETC Holders"), and the 1977 Series 3 Holders (as hereinafter defined) a first perfected security interest in the Pledged Securities (as hereinafter defined) as hereinafter provided; and

WHEREAS, Itel has granted a junior security interest in the Pledged Securities pursuant to Section III.B.1 of the Plan;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, in the Amended Trust Agreement, and in the Lease Agreements, the parties hereto hereby agree as follows:

Section 1. Defined Terms. Except as expressly defined herein, terms defined in the Amended Trust Agreement shall have such defined meanings when used herein. This is the Stock Pledge Agreement referred to therein.

Issuer shall have the meaning set forth in Section 6 hereinbelow.

Lease Agreements shall be the five lease transactions listed on Schedule A hereto.

1977 Series 3 Certificates shall mean the equipment trust certificates representing all the outstanding interests in the 1977 Series 3 Equipment Trust Agreements (as hereinafter defined).

1977 Series 3 Equipment Trust Agreements shall be the five equipment trust agreements listed on Schedule A hereto.

1977 Series 3 Holders shall mean the holders of the 1977 Series 3 Certificates.

Non-recourse Guaranty Agreement shall be the Non-recourse Guaranty Agreement, dated the date hereof, entered into by the parties hereto pursuant to which Itel has guaranteed the obligations of Rail under the Lease Agreements.

Obligations shall have the meaning set forth in Section 2 hereinbelow.

Pledged Securities shall have the meaning set forth in Section 2 hereinbelow.

Proceeds shall have the meaning set forth in Section 2 hereinbelow.

Section 2. Pledge. As collateral security for the due and punctual payment of all of Itel's obligations (collectively, the "Obligations") under (i) the Amended Trust Agreement and the guaranties of the Amended Trust Certificates and (ii) the Non-recourse Guaranty Agreement, Itel hereby deposits and

pledges with the Trustee, and hereby grants to the Trustee a security interest in, for the benefit of the ETC Holders and the 1977 Series 3 Holders, the shares of stock set forth on Schedule B hereto together with any other securities required to be deposited hereunder (collectively the "Pledged Securities") and all proceeds of the foregoing (the "Proceeds"). The certificates for the shares of the Pledged Securities listed on Schedule B hereto are, and any additional shares of the Pledged Securities hereafter shall be, deposited and pledged hereunder and will be accompanied by stock powers duly executed in blank by Itel. The Trustee may cause any or all of the Pledged Securities to be transferred into its name or into the name of a nominee or nominees.

Section 3. Representations and Warranties. Itel represents and warrants that (i) the Pledged Securities are duly and validly issued, fully paid and nonassessable, and duly and validly pledged hereunder in accordance with law, and that it will defend the Trustee's rights, title, and security interest in and to the Pledged Securities against the claims and demands of all Persons whomsoever, (ii) it has good title to all of the Pledged Securities, free and clear of all claims, security interests, mortgages, pledges, liens, and other encumbrances of every nature whatsoever, and that it has the right to pledge the Pledged Securities and the Proceeds as herein provided, (iii) this Stock Pledge Agreement has been duly authorized, executed, and delivered by Itel and constitutes a legal, valid, and binding obligation of Itel enforceable in accordance with its terms, (iv) no consent of any other party (including, without limitation, creditors of Itel) and no consent, license, permit, approval, or authorization of, exemption by, notice or report to, or registration, filing, or declaration with, any governmental authority, domestic or foreign, is required to be obtained by Itel in connection with the execution or delivery of or the performance under this Stock Pledge Agreement, (v) the Pledged Securities constitute all the authorized capital stock of Rail, (vi) the pledge, assignment, and delivery of such Pledged Securities pursuant to this Stock Pledge Agreement creates a valid first lien on and a first perfected security interest in such shares of the Pledged Securities and the Proceeds, subject to no prior pledge, lien, security interest, charge, option, or encumbrance in or on the Pledged Securities or the Proceeds, and (vii) Itel is not a party to any agreement purporting to grant to any third party a security interest in the property or assets of Itel which would include the Pledged Securities or the Proceeds.

Section 4. Rights of the Trustee to vote, etc. the Pledged Securities. If (i) any Default or Event of Default shall have occurred and be continuing under the Amended Trust Agreement, and the Amended Trust Certificates shall have become, or shall have been declared, due and payable, or (ii) any default or event of default shall have occurred under the Lease Agreements and the 1977 Series 3 Certificates shall have become, or been declared, due and payable, the Trustee shall be entitled to (A) exercise the voting power with respect to the Pledged Securities and (B) receive and retain, as additional collateral security hereunder for the Obligations any and all dividends at any time and from time to time declared or paid upon any of the Pledged Securities.

Section 5. Rights of Itel to vote, etc. the Pledged Securities. As long as (i) no Default or Event of Default shall have occurred and be continuing under the Amended Trust Agreement, and the Amended Trust Certificates shall not have become, or been declared, due and payable, or (ii) no default or event of default shall have occurred under the Lease Agreements and the 1977 Series 3 Certificates shall not have become, or been declared, due and payable, Itel shall be entitled to (A) exercise as it shall think fit, but in a manner not inconsistent with the terms hereof, the Amended Trust Agreement, or any Lease Agreement, the voting power with respect to the Pledged Securities and (B) receive and retain for its own account any and all dividends (other than stock dividends) at any time and from time to time declared or paid upon any of the Pledged Securities to the extent permitted by the Amended Trust Agreement.

Section 6. Dividends, etc. In case any stock dividend shall be declared on any of the Pledged Securities, any shares of stock or fractions thereof shall be issued pursuant to any stock split involving any of the Pledged Securities, any property shall be distributed upon or with respect to the Pledged Securities pursuant to a recapitalization or reclassification of the capital of Rail or any issuer (an "Issuer") thereof or to the reorganization thereof, or any other distribution shall be made in respect of the Pledged Securities (except those permitted by the Amended Trust Agreement), the shares or other property so distributed shall be delivered to the Trustee to be held by it as additional collateral security hereunder for the Obligations.

Section 7. Remedies of the Trustee.

(a) If any Default or Event of Default shall have occurred and be continuing under the Amended Trust Agreement, and the Amended Trust Certificates shall have become, or shall have been declared, due and payable, the Trustee, without obligation to resort to other security or any other remedy available to it, shall have the right at any time and from time to time to sell, resell, assign, and deliver, in its discretion, all or any of the Pledged Securities, in one or more parcels at the same or different times, and all right, title, and interest, claim and demand therein, and right of redemption thereof, at a public or private sale, for cash, upon credit, or for future delivery, and at such price or prices and on such terms as the Trustee may determine, Itel hereby agreeing that, upon such sale, any and all equity or right of redemption of Itel automatically shall be waived and released without any further action on the part of Itel, and in connection therewith the Trustee may grant options, all without either demand, advertisement, or notice (except as required by law), all of which (to the extent permitted by law) are hereby expressly waived. In the event of any such sale, the Trustee shall, at least ten days before such sale, give Itel notice of its intention to sell except that, if the Trustee shall reasonably determine, in its sole discretion, that any of the Pledged Securities threatens to decline speedily in value, any such sale may be made without such notice to Itel. Upon each such sale, the Trustee, any ETC Holder, or any 1977 Series 3 Holder may purchase all or any of the Pledged Securities being sold, free from any equity or right of redemption, which upon each such sale shall be waived and released, and may apply any Amended Trust Certificate or rental obligation under the Lease Agreements at the full unpaid amount thereof in payment of such purchase price. The proceeds of each such sale shall be first applied to the payment of all costs and expenses of every kind for sale or delivery, including reasonable compensation to the Trustee and its agents, attorneys, and counsel, and all other expenses, liabilities, and advances made or incurred by the Trustee in connection therewith, and after deducting such costs and expenses from the proceeds of sale, the Trustee shall apply any residue to the payment of the Amended Trust Certificates and the obligations under the Lease Agreements, pro rata based upon the outstanding principal amount of the Amended Trust Certificates and the 1977 Series 3 Certificates, and Itel will not be liable for any deficiency. The balance, if any, remaining after payment in full of the Obligations shall be paid over, subject to the provisions of Section 10 hereinbelow, to Itel or its designee.

(b) If any Default or Event of Default shall have occurred under the Amended Trust Agreement, and the Amended Trust Certificates shall have become, or shall have been declared, due and payable, the Trustee shall have the right, for and in the name, place, and stead of Itel, to execute endorsements, assignments, or other instruments of conveyance or transfer with respect to all or any of the Pledged Securities.

(c) Itel recognizes that the Trustee may be unable to effect a public sale of any or all the Pledged Securities by reason of certain prohibitions contained in the Securities Act of 1933 and applicable state securities laws, but may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such securities for their own account, for investment, and not with a view to the distribution or resale thereof. Itel acknowledges and agrees that any such private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Trustee shall be under no obligation to delay a sale of any of the Pledged Securities for the period of time necessary to permit Itel to register such securities for public sale under the Securities Act of 1933, or under applicable state securities laws, even if Itel would agree to do so.

(d) The rights, powers, and remedies provided herein in favor of the Trustee shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other rights, powers, and remedies in favor of the Trustee existing at law or in equity, including, without limitation, all of the rights, powers, and remedies available to a secured party under the provisions of the Uniform Commercial Code as adopted in any appropriate jurisdiction.

(e) Itel shall indemnify and save harmless the Trustee from and against any liability or damage which it may incur in the exercise and performance of any of its rights, powers, and remedies set forth herein, except liability or damage arising out of the Trustee's gross negligence or wilful misconduct.

Section 8. Obligations of Itel unaffected by certain events. The obligations of Itel hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation, or the like of Itel or any Issuer of any of the Pledged Securities, (ii) any exercise or non-exercise, or any waiver, by the Trustee or any of the ETC Holders of any right, remedy, power, or privilege under or in respect of the Amended Trust Certificates, the Amended Trust Agreement, or any security for any of the Amended Trust Certificates (other than this Stock Pledge Agreement), (iii) any amendment to, or modification of, the Amended Trust Certificates, the Amended Trust Agreement, or any security for any of the Amended Trust Certificates (other than this Stock Pledge Agreement), (iv) any exercise or non-exercise, or any waiver, by any of the 1977 Series 3 Holders of any right, remedy, power, or privilege under or in respect of the 1977 Series 3 Certificates, the 1977 Series 3 Equipment Trust Agreements, the Lease Agreements, or any security for any of the 1977 Series 3 Certificates (other than this Stock Pledge Agreement), or (v) any amendment to, or modification of, the 1977 Series 3 Certificates, the 1977 Series 3 Equipment Trust Agreements, the Lease Agreements, or any security for any of the 1977 Series 3 Certificates (other than this Stock Pledge Agreement), whether or not Itel shall have notice or knowledge of any of the foregoing. As provided in the Amended Trust Agreement and the Non-recourse Guaranty Agreement, Itel's liability in respect of the rental payable thereunder to the Trustee and Itel's guarantees of the Amended Trust Certificates and the Lease Agreements is limited to the collateral pledged hereunder. In the event of any subsequent reorganization of Itel under chapter 11 of title 11 of the United States Code, section 1111(b) of such chapter shall not change the nature of Itel's liability.

Section 9. Amendment and Waiver. No delay on the part of the Trustee, of any ETC Holder, or of any 1977 Series 3 Holder in exercising any of its options, powers, rights, or remedies, or partial or single exercise thereof, shall constitute a waiver thereof. None of the terms and conditions of this Stock Pledge Agreement may be changed, amended, waived, modified, or varied in any manner whatsoever except by an instrument or instruments in writing duly signed by the holders of not less than two-thirds of the sum of the aggregate unpaid principal amount of (i) the Amended Trust Certificates and (ii) the 1977 Series 3 Certificates; *provided, however*, that if such consent is not obtained from each holder of more than one-third of the aggregate unpaid principal amount of the Amended Trust Certificates in any Amended ETC Series, then the provisions of this Stock Pledge Agreement may only be changed, amended, waived, modified, or varied with the written consent of not less than three-quarters of such holders; and *provided further, however*, that the provisions of this Stock Pledge Agreement may not be changed, amended, waived, modified, or varied in any manner which would adversely affect the rights hereunder of any 1977 Series 3 Holder vis-a-vis any ETC Holder.

Section 10. Disposition of the Pledged Securities. Itel covenants and agrees that it will not sell, convey, transfer, or otherwise dispose of the Pledged Securities or any interest therein except (i) for a junior security interest in the Pledged Securities and the Proceeds granted by Itel pursuant to the Plan and (ii) as permitted by the Amended Trust Agreement and the Non-recourse Guaranty Agreement.

Section 11. Release of the Pledge. Subject to the provisions Section 10 hereinabove, Itel shall be entitled to the return of all of the Pledged Securities and of all other property and cash which have not been used or applied against the payment in full of the Obligations after the payment in full of all the Obligations.

Section 12. Further Assurances. Itel hereby agrees to execute and deliver, at its own expense, from time to time, any and all further or other instruments, and to perform such acts, as the Trustee may reasonably request to effect the purposes of this Stock Pledge Agreement and to secure to the ETC Holders and the 1977 Series 3 Holders the benefits of all rights, authorities, and remedies conferred upon the Trustee, the ETC Holders, and the 1977 Series 3 Holders by the terms of this Stock Pledge Agreement. In the event that at any time hereafter, due to any change in circumstances, including, without limitation, any change in any applicable law, or any decision hereafter made by a court construing any applicable law, it is, in the opinion of counsel for the Trustee, necessary or desirable to file or record this Stock Pledge Agreement or any financing statement or other instrument or document respecting this Stock Pledge

Agreement or the pledge made hereunder, Itel agrees to pay all fees, costs, and expenses of such recording or filing and to execute and deliver any instruments that may be necessary or appropriate to make such filing or recording effective. In order to permit Itel to exercise powers of voting and/or consent, and to receive such dividends, as Itel is entitled to receive and retain under Section 5 hereinabove, the Trustee shall, if necessary, upon the written request of Itel, from time to time execute and deliver to Itel appropriate proxies and payment orders, and in order to permit the Trustee to receive all distributions to which it may be entitled under Section 6 hereinabove, Itel shall, if necessary, upon the written request of the Trustee, from time to time execute and deliver to the Trustee appropriate payment orders.

Section 13. Successors and Assigns. This Stock Pledge Agreement is binding upon Itel and its successors and assigns.

Section 14. Notice to Itel. Any notice or demand upon Itel shall be deemed to have been sufficiently given or served for all purposes thereof if mailed, postage prepaid, by registered or certified mail, return receipt requested, to Itel at One Embarcadero Center, San Francisco, California 94111 or at such other address as Itel may designate in writing, delivered to the Trustee.

Section 15. The Trustee as Itel's Attorney-in-Fact. The Trustee is hereby appointed the attorney-in-fact of Itel for the purpose of carrying out the provisions hereof and taking any action and executing any instruments which the Trustee may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, if (i) any Default or Event of Default shall have occurred under the Amended Trust Agreement, and the Amended Trust Certificates shall have become or shall have been declared due and payable or (ii) the 1977 Series 3 Certificates shall have become, or been declared, due and payable, the Trustee shall have the right and power to receive, endorse, and collect all checks made payable to the order of Itel representing any distribution in respect of the Pledged Securities or any part thereof and to give full discharge for the same.

Section 16. Control by the ETC Holders and the 1977 Series 3 Holders. The registered holders of a majority of the aggregate unpaid principal amount of all (i) Amended Trust Certificates and (ii) 1977 Series 3 Certificates by an instrument or instruments in writing executed and delivered to the Trustee, shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any right or power conferred on the Trustee hereunder; *provided, however*, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action so directed (1) may not lawfully be taken or (2) may involve the Trustee in personal liability as to which the ETC Holders and/or the 1977 Series 3 Holders have not agreed fully to indemnify the Trustee. The Trustee may take any other action deemed proper by the Trustee which is not inconsistent with any such direction hereunder.

Section 17. The Trustee.

(a) The Trustee shall not be obligated to take any action in respect of the Pledged Securities or under this Stock Pledge Agreement except for the performance of such duties as are specifically set forth herein, subject to the provisions of this Section 17. The Trustee shall be under no liability with respect to any action taken in accordance with this Stock Pledge Agreement, except for its own gross negligence or wilful misconduct, and shall not be obligated to take any action which in its reasonable judgment would involve it in expense or liability unless it has been furnished with reasonable indemnity. To the extent not reimbursed by Itel, each of the ETC Holders and the 1977 Series 3 Holders agrees to reimburse the Trustee pro rata in accordance with the amount of its share of the sum of the Amended Trust Certificates and the 1977 Series 3 Certificates, for any liabilities, losses, fees, or out-of-pocket expenses sustained or incurred by the Trustee in connection with the administration and/or enforcement of, or the preservation of any rights under, this Stock Pledge Agreement or otherwise for the benefit of the ETC Holders and the 1977 Series 3 Holders, including, without limitation, compensation of agents, attorneys, and counsel for services rendered on behalf of the ETC Holders and the 1977 Series 3 Holders. The Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by it hereunder in good faith and in accordance with the opinion of such counsel. The Trustee shall not be responsible to any ETC Holder, any 1977 Series 3 Holder, or any other Person in any manner for, or under any duty or obligation with respect to, any of the transactions

contemplated by this Stock Pledge Agreement, or (A) any recitals, statements, representations, or warranties contained in this Stock Pledge Agreement, (B) the due authorization, execution, delivery, effectiveness, genuineness, legality, validity, or enforceability of this Stock Pledge Agreement or any of the Pledged Securities, (C) the enforcement, due performance, or observance of, or the existence of any default, Default, or Event of Default under any of the provisions of this Stock Pledge Agreement, the Amended Trust Agreement, the 1977 Series 3 Equipment Trust Agreements, or the Lease Agreements, (D) any filing, recording, registration, giving of notice, or other action with respect to this Stock Pledge Agreement or any of the Pledged Securities, (E) compliance with any provisions of law, (F) the priority of any security interest intended to be created in or pursuant to this Stock Pledge Agreement, (G) the collectibility of any of the Amended Trust Certificates, the 1977 Series 3 Certificates, or the value of any of the Pledged Securities, and (H) any of the corporate records or other records or documents relating to the authorization, issuance, execution, and/or delivery of any of the Pledged Securities. The Trustee may perform any of its duties or exercise any of its powers provided for herein either directly or through its agents or attorneys, and the Trustee shall not be answerable or accountable for any act, default, neglect, or misconduct of any such agents or attorneys provided reasonable care shall have been exercised in the selection and continued employment thereof. The Trustee shall not be personally liable for debts contracted or liabilities or damages incurred in connection with the enforcement of any of the rights or other interests of the Trustee in respect of the Pledged Securities. The Trustee shall be under no obligation to inquire as to the nature or sufficiency of any payment received by it in respect of the Pledged Securities and shall be under no obligation to take any action to perfect or preserve unimpaired the security afforded by any of the Pledged Securities. The Trustee, in the absence of actual knowledge, shall not be deemed to have knowledge of the existence of any condition or event which constitutes a Default or an Event of Default under the Amended Trust Agreement unless notified in writing by any ETC Holder or a default under any Lease Agreement or 1977 Series 3 Equipment Trust Agreement unless notified by any 1977 Series 3 Holder.

(b) The Trustee may resign at any time as provided in Section 9.06 of the Amended Trust Agreement. In case the Trustee shall resign or the position of Trustee becomes vacant for any reason, the holders of a majority in aggregate outstanding principal amount of the Amended Trust Certificates may appoint a successor pledgee by an instrument or instruments in writing delivered to such successor pledgee, the Trustee, and Itel, whereupon such successor pledgee upon acceptance of such appointment shall succeed to all the rights and obligations of the Trustee hereunder as if originally named herein and the Trustee, at the expense of Itel, shall duly assign, transfer, and deliver to such successor pledgee all the rights and properties at the time held by the Trustee hereunder.

Section 18. Effect of Headings. The Section headings hereof are for convenience only and shall not affect the construction hereof.

Section 19. Governing Law. This Stock Pledge Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the State of New York.

Section 20. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, and all such counterparts shall constitute but one instrument.

IN WITNESS WHEREOF, Itel and the Trustee have caused their names to be signed hereto by their respective officers thereunto duly authorized and their respective seals, duly attested, to be hereunto affixed as of the day and year first above written.

[SEAL]

ITEL CORPORATION

Attest:

By:

.....

[SEAL]

FIRST SECURITY BANK OF UTAH,
NATIONAL ASSOCIATION

Attest:

By:

Authorized Officer

.....

Authorized Officer

STATE OF CALIFORNIA }
COUNTY OF SAN FRANCISCO } ss.:

On this day of , before me personally appeared
to me personally known, who, being by me duly sworn, says that he is of ITEL
CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said
corporation and that said instrument was signed and sealed on behalf of said corporation by authority of
its By-Laws and he acknowledged that the execution of the foregoing instrument was the free act and deed
of said corporation.

.....
Notary Public

[NOTARIAL SEAL]

My Commission expires

STATE OF UTAH }
COUNTY OF } ss.:

On this day of , before me personally appeared
to me personally known, who, being by me duly sworn, says that he is of FIRST
SECURITY BANK OF UTAH, N.A., a national banking association, that one of the seals affixed to the
foregoing instrument is the seal of said national banking association and that said instrument was signed
and sealed on behalf of said national banking association by authority of its Board of Directors and he
acknowledged that the execution of the foregoing instrument was the free act and deed of said national
banking association.

.....
Notary Public

[NOTARIAL SEAL]

My Commission expires

SCHEDULE A

1977 Series 3 Lease Agreements

Lease Agreement, dated as of May 15, 1977, by and between SSI Rail Corp. and First Security State Bank, as Owner Trustee for Pacific Systems, Inc.

Lease Agreement, dated as of June 15, 1977, by and between SSI Rail Corp. and Security State Bank, as Owner Trustee for The Budd Leasing Corp.

Lease Agreement, dated as of July 15, 1977, by and between SSI Rail Corp. and First Security State Bank, as Owner Trustee for Viking Yacht Company.

Lease Agreement, dated as of August 1, 1977, by and between SSI Rail Corp. and First Security State Bank, as Owner Trustee for ITT Industrial Credit Company.

Lease Agreement, dated as of August 15, 1977, by and between SSI Rail Corp. and First Security State Bank, as Owner Trustee for Dial Leasing Corporation.

1977 Series 3 Equipment Trust Agreements

Equipment Trust Agreement, dated as of May 15, 1977, between First Security Bank of Utah, N.A., as Trustee, and First Security State Bank, as Owner-Trustee.

Equipment Trust Agreement, dated as of June 15, 1977, between First Security Bank of Utah, N.A., as Trustee, and First Security State Bank, as Owner-Trustee.

Equipment Trust Agreement, dated as of July 15, 1977, between First Security Bank of Utah, N.A., as Trustee, and First Security State Bank, as Owner-Trustee.

Equipment Trust Agreement, dated as of August 1, 1977, between First Security Bank of Utah, N.A., as Trustee, and First Security State Bank, as Owner-Trustee.

Equipment Trust Agreement, dated as of August 15, 1977, between First Security Bank of Utah, N.A., as Trustee, and First Security State Bank, as Owner-Trustee.

SCHEDULE B

1,000 Shares of Itel Rail Corporation Stock—Certificate Number 1
Dated: December 22, 1981.

EXHIBIT G

ITEL CORPORATION TAX ALLOCATION AGREEMENT

Tax Allocation Agreement (the "Agreement") dated September 19, 1983, between Itel Corporation, a Delaware corporation ("Itel"), Itel Rail Corporation, a Delaware corporation ("Rail"), Itel Container Corporation, a Delaware corporation ("Container"), Itel Containers International Corporation, a Delaware corporation ("Containers International"), and the parties listed on Schedule A hereto.

WHEREAS, Itel is the common parent of an affiliated group of corporations of which Rail, Container, Containers International, and the parties listed on Schedule A hereto are members; and

WHEREAS, the parties hereto wish to provide for the allocation among them of consolidated federal income tax liability and certain related matters;

NOW, THEREFORE, in consideration of the foregoing premises and of the mutual covenants contained herein, the parties hereto hereby agree as follows:

1. DEFINITIONS.

(a) Except as otherwise provided herein, terms used in this Agreement shall have the meanings ascribed to them in the Internal Revenue Code of 1954, as amended (the "Code"), and the regulations and rulings issued thereunder, as from time to time in effect. Concepts referred to in this Agreement shall be interpreted in the light of the provisions of the Code and the regulations and rulings thereunder then in effect.

(b) For purposes of this Agreement, the terms set forth below shall be defined as follows:

(i) *ETC's* shall mean the seven (7) issues of Equipment Trust Certificates issued by Itel referred to in the Plan (as hereinafter defined).

(ii) *ETC Modification Agreement* shall mean that certain agreement of even date herewith entered into pursuant to the Plan between Itel, Rail and the Trustee under the ETC's, modifying the terms of the ETC's.

(iii) *Forfeiture* shall mean any transaction or event as a result of which any Unabsorbed Carryover (or current year consolidated net operating loss or excess tax credit) becomes unavailable in whole or in part (whether by reason of the separate return limitation year rules, the consolidated return change of ownership rules, sections 382(a) or 382(b) of the Code, or otherwise) to be absorbed by the Itel Group in the calculation of the Itel Group Tax Liability (as hereinafter defined), other than any minimum tax liability, for a taxable year (except as the Code may otherwise provide with respect to limitations on the utilization of capital loss carryovers and limitations on the portion of a taxpayer's tentative tax liability that may be offset by tax credit carryovers).

(iv) *Forfeiture by Change of Law* shall mean any Forfeiture which is the direct result of a change in the Code or the Treasury regulations issued thereunder, unless such change would not have resulted in a Forfeiture but for some action taken by any person (whether or not a member of the Itel Group) subsequent to (or prior to, but in contemplation of) the effective date of such change.

(v) *Forfeiture Induced by Itel* shall mean any Forfeiture which is the direct result of action taken by Itel, if Itel knew or should have known that such action would create a Forfeiture. Any recommendation made by the board of directors of Itel to its shareholders with respect to any proxy solicitation or tender offer shall be considered an action of Itel for purposes of this subparagraph 1(b)(v).

(vi) *Itel Group* shall mean Parent (as hereinafter defined), Container, Rail, Containers International, and all other corporations (whether now existing or hereafter formed or acquired) that are required to join with Parent in filing a consolidated federal income tax return.

(vii) *Itel Group Tax Liability* shall mean the consolidated federal income tax liability of the Itel Group reported on the Itel Group's consolidated federal income tax return filed for the taxable year.

(viii) *Member* shall mean any other corporation that is included in the Itel Group, or any successor to such other corporation.

(ix) *Parent* shall mean (A) Itel, (B) any successor common parent corporation described in Treas. Reg. § 1.1502-75(d)(2)(i) or (ii), or (C) any corporation as to which Itel (or a successor corporation described in clause (B) hereof) is the "predecessor" within the meaning of Treas. Reg. § 1.1502-1(f)(1), if such corporation acquires Itel (or a successor corporation described in clause (B) hereof) in a "reverse acquisition" within the meaning of Treas. Reg. § 1.1502-75(d)(3).

(x) *Plan* shall mean the confirmed plan of reorganization of Itel under Chapter 11 of the United States Bankruptcy Code.

(xi) *Pre-Reorganization Losses and Credits* shall mean any net operating loss, capital loss, investment tax credit, foreign tax credit or other tax credit of a Member that originates in a taxable year ending before January 1, 1983.

(xii) *Rail Credit* shall mean the sum of \$40,000,000, plus the Rail Post-Reorganization Losses and Credits (as hereinafter defined), less each of the following three items: (A) any amount of Rail Credit previously utilized to excuse the Rail Group (as hereinafter defined), pursuant to subparagraph 4(a) of this Agreement, from any payments which it would otherwise have been required to make pursuant to this Agreement, (B) any Rail Post-Reorganization Losses and Credits absorbed in determining the Separate Return Tax Liability (as hereinafter defined), of any Rail Group Member (as hereinafter defined), for any taxable year beginning on or after January 1, 1983, and (C) the difference between (x) the aggregate Separate Return Tax Liabilities of all Rail Group Members for each taxable year beginning on or after January 1, 1983 and (y) the portion of the Itel Group Tax Liability allocated to all Rail Group Members pursuant to paragraph 3 (without regard to paragraph 4(a)) for such year. The Rail Credit shall be increased by any capital losses of the Rail Group multiplied by the alternative tax rate on long-term capital gains and by any foreign tax credits of the Rail Group to the extent that such losses or credits arise in a taxable year beginning on or after January 1, 1983, are utilized by the Itel Group, and are not absorbed in determining the Separate Return Tax Liability of any Rail Group Member. The Rail Credit shall be decreased to the extent that any loss or credit attributable to a Rail Group Member and previously reflected in an increase in the Rail Credit becomes unavailable to be absorbed by the Itel Group in the calculation of the Itel Group Tax Liability solely as the result of the expiration of the carryover period for such loss or credit specified in the Code.

(xiii) *Rail Group* shall mean Rail and any successor corporation and all Subsidiaries (as hereinafter defined) of Rail.

(xiv) *Rail Group Member* shall mean a Member that is within the Rail Group.

(xv) *Rail Post-Reorganization Losses and Credits* shall mean the sum of:

(A) the investment tax credits of each Rail Group Member for each taxable year beginning on or after January 1, 1983; and

(B) the product of the net operating losses of each Rail Group Member for each taxable year beginning on or after January 1, 1983 multiplied by the maximum marginal federal income tax rate for such year,

to the extent that such investment tax credits or net operating losses are not absorbed in determining the Separate Return Tax Liability of any Rail Group Member for such taxable year.

(xvi) *Separate Return Tax Liability* shall mean with respect to any taxable year the hypothetical federal income tax liability of each Member, computed as if such Member were not part of the Itel Group and had filed a separate federal income tax return for such taxable year, but subject to the modifications specified in Treas. Reg. § 1.1552-1(a)(2)(ii). In making such determination, the same elections and methods of accounting and computation shall be used as are used in the determination of the Itel Group Tax Liability for the taxable year.

(xvii) *Subsidiary* shall mean a corporation that would be an includible corporation as defined in section 1504 of the Code in an affiliated group of which a Member (or a successor corporation of such Member) was a common parent.

(xviii) *Unabsorbed Carryover* shall mean any portion of the Pre-Reorganization Losses and Credits that (i) has not been previously absorbed by the Itel Group in the calculation of the Itel Group Tax Liability and (ii) has not ceased to be available to the Itel Group solely as the result of the expiration of the carryover period for such loss or credit specified in the Code.

2. FILING OF CONSOLIDATED RETURNS.

(a) Parent shall, on a timely basis, file or cause to be filed, consolidated federal income tax returns and estimated tax returns for each taxable year during the term of this Agreement and shall pay in full any tax shown. Each Member shall execute and file such consents, elections, and other documentation as may be required or appropriate for the proper filing of such returns.

(b) Except as provided in subparagraphs (c) and (d) of this paragraph 2, any elections which are employed in the filing of such returns, including, but not limited to, any elections denominated as such in the Code and choice of methods of accounting and depreciation, shall be made by Parent.

(c) Rail shall not consent to any reduction in the basis of its depreciable property pursuant to Section 1017(b)(3)(D) of the Code.

(d) In the event that any item of income or deduction is to be apportioned among Members of the Itel Group, such apportionment shall be determined by Parent but in no event shall any allocation of such apportioned items to Rail be less than that provided in Schedule 4 of the ETC Modification Agreement.

(e) Upon formation or acquisition of a new Member, Parent shall cause such new Member to execute and be bound by this Agreement as of the first date on which such new Member comes within the Itel Group.

3. ALLOCATION OF CONSOLIDATED FEDERAL INCOME TAX LIABILITY.

For each taxable year of the Itel Group with respect to which a consolidated federal income tax return is filed, the Itel Group Tax Liability for such year (if any) shall be allocated to and borne by the Members of the Itel Group in the following manner:

(a) Except as otherwise provided in subparagraph (d) of this paragraph 3, there shall be allocated to each Member the sum of (i) that portion of the Itel Group Tax Liability which the Member's Separate Return Tax Liability bears to the aggregate of the Members' Separate Return Tax Liabilities and (ii) any additional portion of the Itel Group Tax Liability allocated to such Member pursuant to paragraph 4(b).

(b) Each Member shall pay to the Parent the amount of the Itel Group Tax Liability allocated to it by subparagraph (a) of this paragraph 3, increased by its share of interest or penalties shown due on the return (determined by multiplying such interest or penalties by a fraction, the numerator of which equals the portion of the Itel Group Tax Liability allocated to such Member (before interest or penalties) and the denominator of which equals the Itel Group Tax Liability (before interest or penalties), not later than five (5) days before the date on which the Itel Group's consolidated federal income tax return is required to be filed (taking account of any extensions thereof).

(c) If the Itel Group is required to pay any minimum tax on items of tax preference under Section 56 of the Code, each Member shall pay to Parent, within the time specified in subparagraph (b) of this paragraph 3 the amount of such tax, as set forth in the consolidated federal income tax return for the year, that is incurred on items of tax preference allocable to such Member.

(d) Notwithstanding any other provision in this paragraph 3 to the contrary, any portion of the Itel Group Tax Liability for a taxable year attributable to any tax credit, deduction, or other tax benefit claimed by a Member in a separate return limitation year (as defined in Treas. Reg. § 1.1502-1(f)), whether through recapture of such credit or deduction or otherwise, shall be allocated to and borne by such Member exclusively. Such Member shall pay to Parent within the time specified in subparagraph (b) of this paragraph 3 the amount of such portion of the Itel Group Tax Liability allocable to it under this subparagraph 3(d).

(e) If the Itel Group is required to make estimated federal income tax payments (including payments due at the time any extension of time is sought for the filing of the Itel Group's federal

income tax return), each Member shall pay to Parent, not later than five (5) days before the date each estimated payment is to be made by Parent, that percentage of the payment that equals the percentage which the estimated Separate Return Tax Liability of such Member bears to the estimated aggregate of the Members' Separate Return Tax Liabilities for the taxable year. Such estimates shall be determined by Parent. Any estimated tax payments made by a Member under this subparagraph 3(e) with respect to any taxable year shall be applied to reduce the amount, if any, owing by the Member under subparagraphs (b), (c) and (d) of this paragraph 3 with respect to such year. Any excess of such estimated payments over the amount determined under subparagraphs (b), (c), and (d) of this paragraph 3 for such year shall be repaid by Parent to the Member not later than the date that the Itel Group's federal income tax return is filed or, to the extent that such excess represents all or a part of a tax refund to be received by the Itel Group, not later than five (5) days after the receipt of the refund.

(f) Except as otherwise provided in paragraph 4, no compensation shall be paid by any Member to another Member for tax savings resulting from the effective utilization by the first Member of (i) any net operating loss, capital loss, investment tax credit, foreign tax credit, or other tax credit, or (ii) a carryover of such loss or credit, of such other Member.

(g) In the event that any Rail Group Member is required to make a payment to Parent pursuant to this paragraph (including any payments computed under this paragraph on account of changes in tax liability under paragraph 5) such payment may be made by delivering to Parent, within the time specified for the making of such payments, a check payable to the Internal Revenue Service which Parent shall remit to the Internal Revenue Service not later than the date on which the consolidated federal income tax return or estimated tax return is required to be filed.

4. RAIL CREDIT.

(a) To the extent (and only to the extent) that there is an existing Rail Credit at the time that any Rail Group Member would (but for this subparagraph 4(a)) be required to make any payment to Parent pursuant to paragraph 3 (other than subparagraph 3(d)), such Rail Group Member will be excused from such payment. (Any such amount not paid as a result of this subparagraph 4(a) shall hereinafter be referred to as an "Excused Amount".)

(b) In the event that an Excused Amount is incurred with respect to any taxable year of the Itel Group, there shall be allocated to each Member not within the Rail Group that portion of the Excused Amount that equals the Excused Amount multiplied by a fraction, the numerator of which is such Member's Separate Return Tax Liability for that taxable year and the denominator of which is the aggregate of the Separate Return Tax Liabilities of all Members not within the Rail Group. Each Member other than Parent shall then pay to Parent its allocated share of the Excused Amount at the same time as the Rail Group Member or Members with respect to which such Excused Amount was incurred would have been required to make such payment but for subparagraph (a) of this paragraph 4.

(c) In the event Itel intends to sell the stock which it holds in Rail Group, such sale shall not be consummated unless and until the conditions described in Subsection 7.06(a) of the ETC Modification Agreement have been fulfilled.

(d) In the event that a Forfeiture by Change of Law occurs, the Rail Credit shall be reduced to zero for the taxable year in which such Forfeiture by Change of Law occurs and for all succeeding taxable years.

(e) The occurrence of a Forfeiture Induced by Itel will not affect the Rail Credit.

(f) Upon the occurrence of a Forfeiture other than a Forfeiture Induced by Itel or a Forfeiture by Change of Law, the Rail Credit shall be reduced to an amount equal to 75% of the Rail Credit immediately preceding such Forfeiture.

(g) If Itel (or any successor corporation) and Rail are members of an affiliated group which files consolidated federal income tax returns and Itel is not the common parent of such group, the former

Members of the Itel Group immediately preceding the termination of such Group shall make the Rail Credit available to Rail in a manner analogous to the principles described in subparagraph 4(a) of this Agreement.

5. CHANGES IN TAX LIABILITY.

(a) If with respect to any taxable year (i) the Itel Group files an amended consolidated federal income tax return, (ii) the Itel Group Tax Liability or any Member's tax liability is changed and either of such changes is part of a final "determination" as that term is defined in section 1313(a) of the Code, or (iii) the Itel Group pays tax in excess of the Itel Group Tax Liability by reason of any of the events specified in section 6213(b) or (d) of the Code, then the amount of the payments required under paragraph 3 or 4, as the case may be, shall be recomputed by substituting the amount of the Itel Group's or the Member's tax liability after the adjustments described above have been made. Not later than (i) five (5) days before the due date for any additional payment of tax by the Itel Group or (ii) five (5) days after the receipt of a refund, each Member shall pay to Parent, or Parent shall pay to each Member, as the case may be, any difference between the amounts resulting from such recomputation and the amounts previously paid. The parties recognize that a recomputation of the Itel Group Tax Liability or a Member's tax liability for any taxable year under this subparagraph 5(a) is not necessarily the final liability for such year, and such liability may be recomputed more than once.

(b) In the event that a change in the tax liability of the Itel Group described in subparagraph (a) of this paragraph 5 results or will result in the payment or receipt of interest, or the payment or recovery of penalties, the interest or penalties shall be allocated to each Member and each Member shall pay to or be paid by Parent, as the case may be, an amount determined as follows: The total amount of the interest or penalty shall be multiplied by a fraction, the denominator of which is the amount of the change in the Itel Group Tax Liability on which the interest or penalty is computed, and the numerator of which is the amount of the change in the Member's allocated tax liability, in both cases with respect to the most recent prior computation of the Itel Group's and the Member's allocated tax liability. The amounts payable to or by each Member pursuant to this subparagraph 5(b) shall be paid at the same time the amounts payable pursuant to subparagraph (a) of this paragraph 5 are paid.

(c) Payments made pursuant to subparagraphs (a) or (b) of this paragraph 5 shall not themselves bear interest.

6. TERMINATION OF AFFILIATION.

(a) In the event that at some future date a Member other than Parent ceases to be included in the Itel Group but continues to be a corporation subject to federal income tax ("Former Member"), this Agreement shall, except as provided in this paragraph 6, terminate with respect to such Member.

(b) Parent and the Former Member shall consult and shall furnish each other with information required to prepare accurately (i) the consolidated federal income tax return of the Itel Group for the last taxable year in which the Former Member was included in the Itel Group and (ii) the federal income tax returns for all taxable years thereafter of the Former Member and Parent, respectively, in which the tax liability of either may be affected by their former affiliation. Moreover, Parent and the Former Member shall furnish each other with information and assistance required, and shall take all steps necessary, to apply for and obtain the benefit of any carryback of a net operating or capital loss or any investment, foreign tax, or other credit of the Former Member to a taxable year in which the Former Member was included in the Itel Group and a consolidated federal income tax return was filed.

(c) Parent and the Former Member shall also consult and furnish each other with information concerning the status of any tax audit or tax refund claim relating to a taxable year in which the Former Member was included in the Itel Group and a consolidated federal income tax return was filed. Parent shall have the right to make the final determination as to the response of the Itel Group to any audit and shall have the sole right to control, at its own expense, any contest of any change proposed and any proposed disallowance of a refund claim by the Internal Revenue Service through the Appeals Office of the Internal Revenue Service and the courts in connection with any taxable year for which this Agreement

is in effect; *provided, however*, that if Rail should cease to be a Member, it will be entitled, at its sole cost and expense, to participate in any such audit with respect to any year in which it was a Member.

(d) Payments which would have been required under paragraphs 3 and 5 and subparagraph 4(b) of this Agreement to or by a Former Member, were the Former Member still a Member, with respect to taxable years as to which the Former Member was a Member, shall be so made in accordance with principles analogous to those set forth in such paragraphs and subparagraph and at the times set forth therein.

7. DETERMINATIONS.

Except as hereinabove provided, all determinations required hereunder for each taxable year shall be reviewed by the independent certified public accountants regularly employed by the Itel Group at the time the return is filed for such year. The independent certified public accountants shall make an annual report to the holders of the ETC's not later than sixty (60) days after the due date (including extensions thereof) of the Itel Group's consolidated federal income return for such year, which shall contain (i) a statement that the Itel Group has complied with the terms of this Agreement in such taxable year, (ii) a statement of all payments made pursuant to this Agreement in, or with respect to, such taxable year, (iii) a description of the status of any tax audit, tax refund claim, or any proceeding involving a change in the Itel Group Tax Liability proposed by the Internal Revenue Service, and (iv) the amount of Rail Credit at the end of such taxable year.

8. EFFECTIVE DATE.

Except to the extent provided for in subparagraph 4(g) of this Agreement, this Agreement shall be effective on the date first above written and shall remain in effect for each taxable year thereafter in which a Member is included in a consolidated federal income tax return filed by Parent.

9. MISCELLANEOUS PROVISIONS.

(a) This Agreement contains the entire understanding of the parties hereto with respect to the subject matter contained herein. No alteration, amendment, or modification of any of the terms of this Agreement shall be valid unless made by an instrument signed in writing by an authorized officer of each party.

(b) This Agreement shall be binding upon and inure to the benefit of each party hereto and its respective successors and assigns.

(c) This Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

(d) Any notice or other communication hereunder which must be given to Rail shall also be given to the Trustee for the holders of the ETC's.

(e) This Agreement may be executed simultaneously in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(f) The headings of the paragraphs of this Agreement are inserted for convenience only and shall not constitute a part hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date first above written.

ITEL CORPORATION

By:

ITEL CONTAINER CORPORATION

By:

ITEL RAIL CORPORATION

By:

ITEL CONTAINERS INTERNATIONAL CORPORATION

By:

ITEL CORPORATION (Delaware)

By:

ITEL NAVIGATION FINANCE, INC.

By:

HARTFORD & SLOCOMB RR Co., INC.

By:

McCLOUD RIVER RAILROAD Co.

By:

McCLOUD RIVER TRUCKING Co.

By:

THE AHNAPPEE & WESTERN RR Co.

By:

GREEN BAY & WESTERN RAILROAD CO.

By:

KEWAUNEE GREEN BAY AND WINONA TRANSPORT, INC.

By:

ITEL DELTA RESOURCES, INC.

By:

ITEL CONTAINER CORPORATION, INT'L

By:

ITEL CONTAINER CORPORATION

By:

ITEL CONTAINERS INTERNATIONAL CORP.

By:

ITEL RAIL CORPORATION

By:

ITEL TRANSPORTATION SERVICES

By:

ITEL NAVIGATION, INC. (formerly SSI Navigation, Inc.)

By:

ITEL INVESTMENT MANAGEMENT CORP.

By:

ITEL INTERNATIONAL CORP.

By:

ITEL EUROPE CORPORATION

By:

ITEL INTERNATIONAL (EUROPE) CORP.

By:

ITEL INTERNATIONAL SALES CORP.

By:

ITEL INVESTMENT CORP.

By:

ITEL SECURITIES CORP.

By:

ITEL FLEET SERVICES CORP.

By:

ITEL AIR CORPORATION

By:

Schedule A

Itel Corporation (Delaware)
Itel Navigation Finance, Inc.
Hartford & Slocumb RR Co., Inc.
McCloud River Railroad Co.
McCloud River Trucking Co.
The Ahnapee & Western RR Co.
Green Bay & Western Railroad Co.
Kewaunee Green Bay and Winona Transport, Inc.
Itel Delta Resources, Inc.
Itel Container Corporation, Int'l
Itel Container Corporation
Itel Containers International Corp.
Itel Rail Corporation
Itel Transportation Services
Itel Navigation, Inc. (formerly SSI Navigation, Inc.)
Itel Investment Management Corp.
Itel International Corp.
Itel Europe Corporation
Itel International (Europe) Corp.
Itel International Sales Corp.
Itel Investment Corp.
Itel Securities Corp.
Itel Fleet Services Corp.
Itel Air Corporation

EXHIBIT H-1

In consideration of the agreements of Rail to provide certain confidential information hereunder to the Trustee and to each ETC Holder, the undersigned hereby agrees that any information received by it from Rail which is marked or clearly identified as "Confidential" shall be accorded treatment not less restrictive than is accorded to the internal confidential documents of the undersigned and shall in no event be provided to either (i) any employee or agent of the undersigned, other than as may be directly engaged in the business relationship between the undersigned and Rail or (ii) any other person, firm, or organization, without the prior written consent of Rail; *provided, however*, that the foregoing shall not apply to the extent that such information is (a) requested by a government agency which regulates the undersigned, (b) required by any court of competent jurisdiction or government agency, or (c) a matter of public record.

.....

EXHIBIT H-2

In consideration of the agreements of Itel to provide certain confidential information hereunder to the Trustee and to each ETC Holder, the undersigned hereby agrees that any information received by it from Itel which is marked or clearly identified as "Confidential" shall be accorded treatment not less restrictive than is accorded to the internal confidential documents of the undersigned and shall in no event be provided to either (i) any employee or agent of the undersigned, other than as may be directly engaged in the business relationship between the undersigned and Itel or (ii) any other person, firm, or organization, without the prior written consent of Itel; *provided, however*, that the foregoing shall not apply to the extent that such information is (a) requested by a government agency which regulates the undersigned, (b) required by any court of competent jurisdiction or government agency, or (c) a matter of public record.

SCHEDULE 1

**Purchase Agreements
Equipment Trust Agreements
Trust Equipment**

Schedule 1A

Filed Under 1.c.c.
Recordation No. 8487

1976 Series 1 ETC Series Trust and Amended ETC Series Trust

Trust Agreement, dated as of July 15, 1976, by and among SSI Rail Corp., Itel Corporation, and the parties named on the cover sheet.

Trust Agreement, 1976 Series 1, dated as of July 15, 1976, between First Security Bank of Utah, N.A., and SSI Rail Corp., as amended.

Trust Agreement, Itel Rail Corporation, 10 3/4% Amended Trust Certificates, 1976 Series 1, due December 31, 1982, outstanding principal amount as of January 1, 1982: \$7,385,960.65.

TRUST EQUIPMENT

BOXCARS

<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/ Manufacturer</u>	<u>No. of Cars</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Escanaba & Lake Superior Railroad Company.....	ELS 9000-9049	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. FMC	49	\$31,051.37	\$ 1,521,517.13
Greenville & Northern Railroad Company.....	GRN 8000-8049	50'7" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. ACF	50	\$28,968.97	\$ 1,448,448.50
Lake Erie, Franklin & Clarion Railroad.....	LEF 1040-1049	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. FMC	10	\$31,051.37	\$ 310,513.70
Minnesota, Dakota & Western Railroad.....	MDW 9000-9099	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Plug FMC	99	\$33,288.16	\$ 3,295,527.84
Pearl River Valley Railroad Company.....	PRV 1000-1049	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. PS	50	\$29,550.52	\$ 1,477,526.00
Sierra Railroad Company.....	SERA 4000-4049	50'6" XM, 70-Ton PL.B., OC-Dbt. 8' Sldg. FMC	50	\$32,985.02	\$ 1,649,251.00
Wabash Valley Railroad.....	WVRC 8000-8049	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. PS	50	\$29,550.52	\$ 1,477,526.00
			358		\$11,180,310.17

NYK
Schedule 1B *100*

*Filed Under U.C.C.
Recordation No.
8673 11C*

1977 Series 1 ETC Series Trust and Amended ETC Series Trust

Purchase Agreement, dated as of January 1, 1977, by and among SSI Rail Corporation, Itel Corporation, and the party
med on Annex I thereto.

Equipment Trust Agreement, 1977 Series 1, dated as of January 1, 1977, between First Security Bank of Utah, N.A.,
ustee, and SSI Rail Corp., as amended.

Itel Corporation, Itel Rail Corporation, 9¾% Amended Trust Certificates, 1977 Series 1, due March 31, 1992—out-
nding principal amount as of January 1, 1982: \$2,062,513.85.

TRUST EQUIPMENT

BOXCARS

<u>Series</u>	<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/ Manufacturer</u>	<u>No. of Cars</u>	<u>Unit Cost</u>	<u>Total Cost</u>
7-1	Cadiz Railroad	CAD 1000-1099	50'6" XM, 70-Ton PL B, C-Sgl. 10' Sldg. FMC	98	\$31,402.10	\$3,077,405.80

1977 Series 2 ETC Series Trust and Amended ETC Series Trust

Purchase Agreement, dated as of March 15, 1977, by and among SSI Rail Corp., Itel Corporation, and the parties named in Exhibit I thereto.

Equipment Trust Agreement, 1977 Series 2, dated as of March 15, 1977, between First Security Bank of Utah, N.A., and SSI Rail Corp., as amended.

Itel Corporation, Itel Rail Corporation, 9½% Amended Trust Certificates, 1977 Series 2, due October 31, 1992—outstanding principal amount as of January 1, 1982: \$19,326,662.09.

TRUST EQUIPMENT

BOXCARS

Lessee	Reporting Marks	Equipment Description/ Manufacturer	No. of Cars	Unit Cost	Total Cost
City of Prineville Railway Company	COP 7001-7200	50'6" XM, 70-Ton PL.B., OC-Dbl. 8' Sldg. FMC	129	\$31,608.40	\$ 4,077,483.60
Camino, Placerville & Lake Tahoe Railroad Company	CPLT 7850-7899	50'6" XM, 70-Ton PL.B., C-Dbl. 8' Sldg. FMC	50	\$31,343.39	\$ 1,567,169.50
McCloud River Railroad	MR 2000-2399	50'6" XM, 70-Ton PL.B., C-Dbl. 8' Sldg. FMC	144	\$31,343.39	\$ 4,513,448.16
(Sublease from Seattle & North Coast Railroad Company).....	MR 11000-11099	50'6" XM, 70-Ton PL.B., C-Dbl. 8' Sldg. FMC	100	\$31,343.39	\$ 3,134,339.00
Natchez Trace Railroad.....	NTR 7005-7195	50'6" XM, 70-Ton PL.B., OC-Dbl. 8' Sldg. FMC	70	\$31,608.40	\$ 2,212,588.00
Port Huron and Detroit Railroad Company.....	PHD 1000-1023	50'6" XP, 70-Ton PL.B., C-Sgl. 10' Sldg. FMC	23	\$33,012.52	\$ 759,287.96
	PHD 1024-1099	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. FMC	72	\$33,012.52	\$ 2,376,901.44
Sierra Railroad Company.....	SERA 4500-4599	50'6" XM, 70-Ton PL.B., C-Dbl. 8' Sldg. FMC	100	\$31,343.39	\$ 3,134,339.00
Terminal Railway of Alabama	TASD 77001-77110	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	109	\$31,133.53	\$ 3,393,554.77
Toledo, Peoria & Western Railroad Company.....	TPW 70101-70150	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	49	\$31,790.65	\$ 1,557,741.85
Wabash Valley Railway	WVRC 7700-7739	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. FMC	40	\$31,063.18	\$ 1,242,527.20
	WVRC 7740-7749	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. FMC	10	\$31,286.45	\$ 312,864.50
			896		\$28,282,244.98

Schedule 1D

1978 Series 1 ETC Series Trust and Amended ETC Series Trust

Filed Under I.C.C. Recordation No. 9290

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Purchase Agreement, dated as of January 1, 1978, by and among Itel Corporation and the parties named on Annex I thereto.

Equipment Trust Agreement, 1978 Series 1, dated as of January 1, 1978, between First Security Bank of Utah, N.A., Trustee, and Itel Corporation, as amended.

Itel Corporation, Itel Rail Corporation, 9½% Amended Trust Certificates, 1978 Series 1, due January 31, 1993—outstanding principal amount as of January 1, 1982: \$10,237,973.42.

TRUST EQUIPMENT

BOXCARS

<u>Series</u>	<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/Manufacturer</u>	<u>No. of Cars</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1978-1	Apalachicola Northern Railroad	AN 5200-5399	50'7" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. ACF	197	\$33,537.74	\$ 6,606,934.78
	Green Bay & Western Railroad Company	GBW 8000-8048	50'6" XP, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	49	\$33,052.13	\$ 1,619,554.37
	Meridian & Bigbee Railroad Company	MB 4000-4005	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	6	\$29,128.98	\$ 174,773.88
	North Louisiana & Gulf Rail- road Company	NLG 5001-5100	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	98	\$31,486.27	\$ 3,085,654.46
	Terminal Railway of Alabama...	TASD 78601-78700	50'6" XM, 70-Ton	99	\$33,052.13	\$ 3,272,160.87
				449		\$14,759,078.36

1978 Series 2 ETC Series Trust and Amended ETC Series Trust, Purchase Agreement, dated as of February 1, 1978, by and among Itel Corporation and the parties named on Annex I

Equipment Trust Agreement, 1978 Series 2, dated as of February 1, 1978, between First Security Bank of Utah, N.A., and Itel Corporation, as amended.

Corporation, Itel Rail Corporation, 9¼% Amended Trust Certificates, 1978 Series 2, due August 15, 1993—outstanding principal amount as of January 1, 1982: \$109,113,305.64.

TRUST EQUIPMENT BOXCARS

<u>s</u>	<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/ Manufacturer</u>	<u>No. of Cars</u>	<u>Unit Cost</u>	<u>Total Cost</u>
2	Arkansas & Louisiana Missouri Railroad.....	ALM 1000-1149	60'10" XM, 100-Ton PL.E., C-Sgl. 10' Sldg. FMC	149	\$39,704.79	\$ 5,916,013.71
	Arkansas & Louisiana Missouri Railroad.....	ALM 1500-1599	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	100	\$33,251.31	\$ 3,325,131.00
	Apalachicola Northern Railroad	AN 5550-5599	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	50	\$35,012.67	\$ 1,750,633.50
	Apache Railway.....	APA 1800-1849	50'6" XM, 70-Ton PL.C., OC-Dbl. 8' Plug FMC	49	\$33,512.26	\$ 1,642,100.74
	Atlanta & St. Andrews Bay Railway Company.....	ASAB 7200-7299	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	97	\$35,120.89	\$ 3,406,726.33
	Corinth and Counce Railroad Company.....	CCR 6000-6399	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	60	\$31,252.40	\$ 1,875,144.00
	Clarendon and Pittsford Railroad Company.....	CLP 3061-3160	50'7" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. ACF	98	\$34,244.95	\$ 3,356,005.10
		CLP 3161-3260	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	99	\$33,102.12	\$ 3,277,109.88
	City of Prineville Railway Company.....	COP 7201-7400	50'6" XM, 70-Ton PL.B., OC-Dbl. 8' Sldg. FMC	196	\$33,006.45	\$ 6,469,264.20
	East Camden & Highland.....	EACH 2001-2161	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	161	\$35,539.75	\$ 5,721,899.75
	Green Bay and Western Railroad Company.....	GBW 8049	50'6" XP, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	1	\$33,365.19	\$ 33,365.19
		GBW 8050-8197	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	148	\$33,365.19	\$ 4,938,048.12
	Green Mountain Railroad Company.....	GMRC 750-799	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	50	\$36,619.03	\$ 1,830,951.50
	Hartford & Slocumb Railway Company.....	HS 4000-4099	50'6" XM, 70-Ton PL.B., C-Dbl. 8' Sldg. FMC	27	\$33,013.53	\$ 891,365.31
	Lake Erie, Franklin and Clarion Railroad.....	LEF 2500-2579	HT, 100-Ton Hopper PL.B., 3433 cu. ft. ACF	80	\$27,712.36	\$ 2,216,988.80

Series	Lessee	Reporting Marks	Equipment Description/ Manufacturer	No. of Cars	Unit Cost	Total Cost
	Meridian & Bigbee Railroad Company	MB 4006-4099	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	93	\$29,128.98	\$ 2,708,995.14
	McCloud River Railroad	MR 1010-1698	49'6" XM, 70-Ton PL.B., C-Dbl. 12' Plug SI (Rebuild)	94	\$32,490.99	\$ 3,054,153.06
		MR 2400-2405	50'6" XM, 70-Ton PL.B., C-Dbl. 8' Sldg. FMC	6	\$33,040.42	\$ 198,242.52
		MR 4000-4099	50'6" XM, 70-Ton PL.B., C-Dbl. 8' Sldg. FMC	73	\$33,013.53	\$ 2,409,987.68
	Mississippi Export Railway Company	MSE 800-899	50'7" XM, 70-Ton PL.C. C-Sgl. 10' Sldg. ACF	97	\$36,374.50	\$ 3,334,326.50
		MSE 900-999	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	98	\$34,401.08	\$ 3,567,305.84
	Marinette, Tomahawk and Western Railroad Company ...	MTW 4300-4399	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	98	\$35,257.77	\$ 3,455,261.46
	North Louisiana & Gulf Railroad Company	NLG 5101-5400	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	296	\$32,860.22	\$ 9,726,625.12
	New Orleans Public Belt Railway	NOPB 3100-3299	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. PS	199	\$32,300.00	\$ 6,427,700.00
		NOPB 3300-3399	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. PS	100	\$31,155.82	\$ 3,115,582.00
		NOPB 3400-3499	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. PS	99	\$31,220.07	\$ 3,090,786.93
	Port Huron and Detroit Railroad Company	PHD 2000-2199	50'6" XP, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	196	\$31,664.52	\$ 6,206,245.92
	Sierra Railroad Company	SERA 4050-4089	50'6" XM, 70-Ton PL.B., OC-Dbl. 8' Sldg. FMC	38	\$33,097.26	\$ 1,257,695.88
	Sabine River and Northern Railroad Company	SRN 5300-5349	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	50	\$35,218.20	\$ 1,760,910.00
	FMC/Chemical Group	SSIX 1000-1099	LO, 100-Ton Hopper PL.C., 4650 cu. ft. ACF	94	\$30,526.39	\$ 2,869,480.66
	Terminal Railway of Alabama ...	TASD 77111-77200	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	90	\$31,133.53	\$ 2,802,017.70
		TASD 77201-77300	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	100	\$31,117.95	\$ 3,111,795.00
		TASD 78001-78300	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	298	\$33,013.62	\$ 9,838,058.76
		TASD 78301-78600	50'7" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. ACF	299	\$34,131.32	\$ 10,205,264.68
	Texas Mexican Railroad Company	TM 3000-3149	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	149	\$34,814.42	\$ 5,187,348.58
	Valdosta Southern Railway Co.	VSO 6200-6249	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	50	\$33,344.76	\$ 1,667,238.00
		VSO 6350-6399	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	50	\$35,411.41	\$ 1,770,570.50
	Vermont Railway Company	VTR 3501-3550	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg. FMC	49	\$33,131.67	\$ 1,623,451.83
				4,082		\$136,074,911.79

1978 Series 3 ETC Series Trust and Amended ETC Series Trust

Filed Under 1-cc
Recordation No. 9932

Purchase Agreement, dated as of November 1, 1978, by and among Itel Corporation and the parties named on Annex I hereto.

Equipment Trust Agreement, 1978 Series 3, dated as of November 1, 1978, between Citibank, N.A., Trustee, and Itel Corporation, as amended.

Itel Corporation, Itel Rail Corporation, 10% Amended Trust Certificates, 1978 Series 3, due December 1, 1994—outstanding principal amount as of January 1, 1982: \$109,404,852.59.

TRUST EQUIPMENT BOXCARS

ies	Lessee	Reporting Marks	Equipment Description/ Manufacturer	No. of Cars	Unit Cost	Total Cost
8-3	Apalachicola Northern Railroad	AN 5600-5799	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	200	\$35,600.00	\$ 7,120,000.00
	Arcata and Mad River Railroad.	AMR 1000-1099	50'7" XM, 70-Ton PL.C., OC-Dbl. 8' Sldg. ACF	96	\$39,263.36	\$ 3,769,282.56
	Cadiz Railroad	CAD 1100-1116	50'6" XP, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	17	\$38,267.20	\$ 650,542.40
	Camino, Placerville and Lake Tahoe Railroad Company	CPLT 7750-7769	50'7" XM, 70-Ton PL.C., OC-Dbl. 8' Sldg. ACF	19	\$39,059.27	\$ 742,126.13
	East Camden & Highland	EACH 2162-2200	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	39	\$35,539.75	\$ 1,386,050.25
		EACH 2351-2500	50'6" XM, 100-Ton PL.C., C-Sgl. 12' Plug FMC	99	\$43,400.74	\$ 4,296,673.26
		EACH 4001-4100	60'10" XP, 100-Ton PL.C., C-Sgl. 12' Plug ACF	97	\$49,248.14	\$ 4,777,069.59
		EACH 4100-4150	60'10" XM, 100-Ton PL.C., C-Sgl. 12' Plug ACF	50	\$49,248.14	\$ 2,462,407.00
	Green Bay and Western Rail- road Company	GBW 7000-7049	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	50	\$37,668.20	\$ 1,883,410.00
		GBW 10000-10049	50'6" XM, 100-Ton PL.C., C-Sgl. 12' Plug FMC	50	\$43,400.74	\$ 2,170,037.00
	New Orleans Public Belt Railway	NOPB 3500-3549	50'6" XP, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	50	\$35,525.00	\$ 1,776,250.00
		NOPB 3550-3974	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	425	\$35,525.00	\$ 15,098,125.00
		NOPB 3975-4099	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	124	\$37,694.68	\$ 4,674,140.32

<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/ Manufacturer</u>	<u>No. of Cars</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Port Huron and Detroit Rail- road Company.....	PHD 3000-3034	50'6" XP, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	35	\$35,394.00	\$ 1,238,790.00
	PHD 4000-4024	50'6" XF, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	25	\$35,445.00	\$ 886,125.00
	PHD 5000-5039	50'6" XL, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	39	\$43,540.04	\$ 1,698,061.56
Rahway Valley Railroad	RV 1000-1024	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	25	\$37,668.20	\$ 941,705.00
Texas Mexican Railroad Com- pany	TM 3150-3299	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	150	\$36,040.72	\$ 5,406,108.00
Valley and Siletz Railroad	VS 2000-2059 2061, and 2087-2099	50'6" XM, 100-Ton PL.F., C-Dbl. 8' Sldg. FMC	74	\$41,216.67	\$ 3,050,033.58
	VS 2060, 2062-2086 and 2100-2149	50'6" XP, 100-Ton PL.F., C-Dbl. 8' Sldg. FMC	75	\$41,216.67	\$ 3,091,250.25
Warwick Railway Company.....	WRWK 60001-60300	60'10" XM, 100-Ton PL.C., C-Sgl. 12' Sldg. ACF	298	\$43,635.88	\$ 13,003,492.24
			2,037		\$ 80,121,679.14

FLATCARS

<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/ Manufacturer</u>	<u>No. of Cars</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Atchison, Topeka and Santa Fe Railway Company.....	SFLC 901050-901094	TOFC/COFC 70-Ton, 89'4" Flatcars Bethlehem	45	\$43,857.80	\$ 1,973,601.00
	SFLC 901100-901244	TOFC/COFC 70-Ton, 89'4" Flatcars PS	57	\$43,541.22	\$ 2,481,849.54
	SFLC 901095-901099	TOFC/COFC 70-Ton, 89'4" Flatcars Bethlehem	55	\$43,795.53	\$ 2,408,754.15
	SFLC 901245-901294	TOFC/COFC 70-Ton, 89'4" Flatcars PS	88	\$44,120.37	\$ 3,882,592.56
	SFLC 901100-901244	TOFC/COFC 70-Ton, 89'4" Flatcars PS	48	\$43,980.54	\$ 2,107,509.92
	SFLC 901543-901590	TOFC/COFC 70-Ton, 89'4" Flatcars PS	62	\$43,795.53	\$ 2,715,322.86
	SFLC 901481-901542	TOFC/COFC 70-Ton, 89'4" Flatcars Bethlehem	54	\$44,187.65	\$ 2,386,133.10
	SFLC 901591-901644	TOFC/COFC 70-Ton, 89'4" Flatcars PS	55	\$44,034.85	\$ 2,421,916.75
	SFLC 901645-901699	TOFC/COFC 70-Ton, 89'4" Flatcars PS	50	\$43,541.88	\$ 2,177,094.00
	SFLC 901000-901049	TOFC/COFC 70-Ton, 89'4" Flatcars PS	150	\$43,534.14	\$ 6,530,121.00
	SFLC 901295-901444	TOFC/COFC 70-Ton, 89'4" Flatcars PS	36	\$44,470.13	\$ 1,600,924.68
	SFLC 901445-901480	TOFC/COFC 70-Ton, 89'4" Flatcars PS	100	\$44,372.13	\$ 4,437,213.00
Brillion & Forest Junction Rail- road.....	BF JR 104000-104099	TOFC/COFC 70-Ton 89'4" Flatcars 89'4" Flatcars PS	31	\$43,571.81	\$ 1,350,726.11
Crab Orchard and Egyptian Railroad.....	COER 100000-100049	TOFC/COFC 70-Ton, 89'4" Flatcars PS	15	\$43,540.81	\$ 653,112.15
	COER 250000-250049	TOFC/COFC 70-Ton, 89'4" Flatcars PS	9	\$45,568.97	\$ 410,120.73
	COER 250050-250099	TOFC/COFC 70-Ton, 89'4" Flatcars ACF	18	\$43,232.92	\$ 778,192.56
Detroit, Toledo and Ironton Railway Company.....	DTI 90000-90099	TOFC/COFC 70-Ton, 89'4" Flatcars ACF	26	\$43,908.54	\$ 1,141,622.04
	DTI 90000-90099	TOFC/COFC 70-Ton, 89'4" Flatcars PS	18	\$43,795.53	\$ 788,319.54
	DTI 90000-90099	TOFC/COFC 70-Ton, 89'4" Flatcars Bethlehem	17	\$44,187.65	\$ 751,190.05
	DTI 90000-90099	TOFC/COFC 70-Ton, 89'4" Flatcars PS	21	\$44,034.85	\$ 924,731.85
	DTI 90100-90134	TOFC/COFC 70-Ton, 89'4" Flatcars ACF	35	\$45,568.97	\$ 1,594,913.95
	DTI 90135-90169	TOFC/COFC 70-Ton, 89'4" Flatcars PS	35	\$43,540.81	\$ 1,523,928.35
	DTI 90170-90175	TOFC/COFC 70-Ton, 89'4" Flatcars ACF	6	\$45,568.97	\$ 273,413.82
	DTI 90176-90193, 90222	TOFC/COFC 70-Ton, 89'4" Flatcars PS	19	\$43,571.81	\$ 827,864.39

<u>eries</u>	<u>Lessee</u>	<u>Reporting Marks</u>	<u>Equipment Description/ Manufacturer</u>	<u>No. of Cars</u>	<u>Unit Cost</u>	<u>Total Cost</u>
		DTI 90194-90199	TOFC/COFC 70-Ton, 89'4" Flatcars ACF	6	\$43,232.92	\$ 259,397.52
		DTI 90200-90202	TOFC/COFC 70-Ton, 89'4" Flatcars PS	3	\$44,187.65	\$ 132,562.95
		DTI 90203-90206	TOFC/COFC 70-Ton, 89'4" Flatcars PS	4	\$44,034.85	\$ 176,139.40
		DTI 90207-90212	TOFC/COFC 70-Ton, 89'4" Flatcars Bethlehem	6	\$43,795.53	\$ 262,773.18
		DTI 90213-90219	TOFC/COFC 70-Ton, 89'4" Flatcars PS	7	\$43,908.54	\$ 307,359.78
		DTI 90220, 90221	TOFC/COFC 70-Ton, 89'4" Flatcars PS	2	\$44,187.65	\$ 88,375.30
		DTI 90223-90234	TOFC/COFC 70-Ton, 89'4" Flatcars PS	12	\$44,470.13	\$ 533,641.56
	Maine Central Railroad Company	MEC 105057-105065	TOFC/COFC 70-Ton, 89'4" Flatcars PS	9	\$43,908.54	\$ 395,176.86
		MEC 105051-105056	TOFC/COFC 70-Ton, 89'4" Flatcars Bethlehem	6	\$43,795.33	\$ 262,771.98
		MEC 105066-105074	TOFC/COFC 70-Ton, 89'4" Flatcars PS	9	\$44,187.65	\$ 397,688.85
		MEC 105075	TOFC/COFC 70-Ton, 89'4" Flatcars PS	1	\$44,034.85	\$ 44,034.85
		MEC 105091-105105 (N.S.)	TOFC/COFC 70-Ton, 89'4" Flatcars PS	10	\$43,908.54	\$ 439,085.40
		MEC 105076-105087 (N.S.)	TOFC/COFC 70-Ton, 89'4" Flatcars Bethlehem	8	\$43,795.53	\$ 350,364.24
		MEC 105107-105123 (N.S.)	TOFC/COFC 70-Ton, 89'4" Flatcars PS	14	\$44,187.65	\$ 618,627.10
		MEC 105079-105125 (N.S.)	TOFC/COFC 70-Ton, 89'4" Flatcars PS	18	\$44,034.85	\$ 792,627.30
	Soo Line Railroad Co.	SOO 54694-54793	TOFC/COFC 70-Ton, 89'4" Flatcars PS	100	\$44,372.13	\$ 4,437,213.00
		SOO 54754-54793	TOFC/COFC 70-Ton, 89'4" Flatcars PS	40	\$43,541.22	\$ 1,741,648.00
		SOO 54754-54793	TOFC/COFC 70-Ton, 89'4" Flatcars PS	10	\$44,120.37	\$ 441,203.70
		SOO 54845-54893	TOFC/COFC 70-Ton, 89'4" Flatcars PS	49	\$44,470.13	\$ 2,179,036.00
		SOO 54844	TOFC/COFC 70-Ton, 89'4" Flatcars PS	1	\$44,187.85	\$ 44,187.65
	Toledo, Peoria and Western Railroad Company.....	TPW 105076-105100	TOFC/COFC 70-Ton, 89'4" Flatcars ACF	25	\$43,232.92	\$ 1,080,823.00
				1,290		\$ 56,688,693.80
			1978-3 Total: (Boxcars and Flatcars)	3,327		\$136,810,373.02

Schedule 10

1978 Series 4 ETC Series Trust and Amended ETC Series Trust

Filed Under 1.C.C.
Recordation No 9929

Purchase Agreement, dated as of December 1, 1978, between Itel Corporation and The Travelers Insurance Company.

Equipment Trust Agreement, 1978 Series 4, dated as of December 1, 1978, between Bankers Trust Company, Trustee, Itel Corporation, as amended.

Itel Corporation, Itel Rail Corporation, 10 3/4% Amended Trust Certificates, 1978 Series 4, due December 31, 1982: \$19,435,936.93.

TRUST EQUIPMENT
BOXCARS

ies	Lessee	Reporting Marks	Equipment Description/ Manufacturer	No. of Cars	Unit Cost	Total Cost
8-4	Arkansas & Louisiana Missouri Railroad	ALM 1150-1249	60'10" XM, 100-Ton PL.E., C-Sgl. 10' Sldg. ACF	96	\$43,582.91	\$ 4,183,959.36
	Atlanta and St. Andrews Bay Railway Company.....	ASAB 8100-8201	60'10" XM, 100-Ton PL.E., C-Sgl. 10' Sldg. ACF	101	\$41,166.73	\$ 4,157,839.73
	Camino, Placerville and Lake Tahoe Railroad Company	CPLT 7770-7849	50'7" XM, 70-Ton PL.C., OC-Dbl. 8' Sldg. ACF	80	\$39,059.27	\$ 3,124,741.60
	Greenville and Northern Rail- road Company.....	GRN 8050-8099	50'6"XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	50	\$34,035.00	\$ 1,701,750.00
	Marinette, Tomahawk and Western Railroad Company...	MTW 4400-4599	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. FMC	199	\$36,001.00	\$ 7,164,199.00
	North Louisiana and Gulf Rail- road Company.....	NLG 5401-5550	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg. PS	145 671	\$35,537.29	\$ 5,152,907.05 \$25,485,396.74

SCHEDULE 2

**Scheduled Payments with Respect to
Each Amended ETC Series Trust**

SCHEDULE 2A

Itel Corporation, Itel Rail Corporation, 10¾% Amended Trust Certificates, 1976 Series 1, due December 31, 1991.

Each of the Amended Trust Certificates in this series (the "Amended 1976 Series 1 Trust Certificates") shall represent an interest in the amount therein specified in the trust created hereunder and, subject to the provisions of Section 2.03 of the Amended Trust Agreement, shall bear interest on the unpaid portion of said amount at the rate of 10¾% per annum, payable quarterly as set forth below. Interest on any overdue principal and interest, subject to the provisions of Section 2.03 of the Amended Trust Agreement and to the extent legally enforceable, shall be payable at the rate of 11¾% per annum.

Subject to the provisions of Section 2.03 of the Amended Trust Agreement, the Amended 1976 Series 1 Trust Certificates shall be payable as follows: Interest only shall be payable on the principal amount on September 30, 1976 (if any such 1976 Series 1 Trust Certificate was issued prior to September 30, 1976), and on December 31, 1976; thereafter, principal and interest payments shall be made in sixty consecutive substantially equal quarterly installments on March 31, June 30, September 30, and December 31, in each year commencing March 31, 1977, calculated so that the aggregate of principal and interest payments payable on each such date shall be substantially equal, and such installments of principal shall completely amortize the principal amount of the Amended 1976 Series 1 Trust Certificates. The Trustee shall furnish to each holder of the Amended 1976 Series 1 Trust Certificates at the time of issuance thereof a schedule showing the payments of principal and interest to be made thereon.

Subject to the provisions of Section 2.02 of the Amended Trust Agreement, the Amended 1976 Series 1 Trust Certificates are prepayable on or after January 1, 1987, as a whole, at the option of Rail, on not less than thirty days prior notice given as provided in Section 10.05 of the Amended Trust Agreement, at the following prepayment prices (expressed in percentages of the principal amount), together with, in each case, accrued and unpaid interest to the date fixed for prepayment:

If Prepaid During 12-Month Period Commencing January 1	Optional Prepayment Price
1987	106.72%
1988	105.38%
1989	104.03%
1990	102.69%
1991	101.34%

but without premium if paid at maturity.

Interest on the Amended 1976 Series 1 Trust Certificates shall be calculated on the basis of a three hundred sixty day year of twelve thirty day months.

The Amended 1976 Series 1 Trust Certificates are issuable in any denomination equal to or greater than \$25,000 or, with the consent of Rail, in any denomination less than \$25,000.

SCHEDULE 2B

Intel Corporation, Intel Rail Corporation, 9¾% Amended Trust Certificates, 1977 Series 1, due March 31, 1992.

Each of the Amended Trust Certificates in this series (the "Amended 1977 Series 1 Trust Certificates") shall represent an interest in the amount therein specified in the trust created hereunder and, subject to the provisions of Section 2.03 of the Amended Trust Agreement, shall bear interest on the unpaid portion of said amount at the rate of 9¾% per annum, payable quarterly as set forth below. Interest on any overdue principal and interest, subject to the provisions of Section 2.03 of the Amended Trust Agreement and to the extent legally enforceable, shall be payable at the rate of 10¾% per annum.

Subject to the provisions of Section 2.03 of the Amended Trust Agreement, the Amended 1977 Series 1 Trust Certificates shall be payable as follows: Interest only shall be payable on the principal amount on March 31, 1977; thereafter, principal and interest payments shall be made in sixty consecutive substantially equal quarterly installments on March 31, June 30, September 30, and December 31 in each year commencing June 30, 1977, calculated so that the aggregate of principal and interest payments payable on each such date shall be substantially equal and such installments of principal shall completely amortize the principal amount of the Amended 1977 Series 1 Trust Certificates. The Trustee shall furnish to each holder of the Amended 1977 Series 1 Trust Certificates at the time of issuance thereof a schedule showing the payments of principal and interest to be made thereon.

Subject to the provisions of Section 2.02 of the Amended Trust Agreement, the Amended 1977 Series 1 Trust Certificates are prepayable on or after January 1, 1988, as a whole, at the option of Rail, on not less than thirty days prior notice given as provided in Section 10.05 of the Amended Trust Agreement, at the following prepayment prices (expressed in percentages of the principal amount), together with, in each case, accrued and unpaid interest to the date fixed for prepayment:

If Prepaid During 12-Month Period Commencing January 1	Optional Prepayment Price
1988	106.09%
1989	104.88%
1990	103.66%
1991	102.44%
1992	101.22%

but without premium if paid at maturity.

Interest on the Amended 1977 Series 1 Trust Certificates shall be calculated on the basis of a three hundred sixty day year of twelve thirty days months.

The Amended 1977 Series 1 Trust Certificates are issuable in any denomination equal to or greater than \$100,000 or, with the consent of Rail, in any denomination less than \$100,000.

SCHEDULE 2C

Itel Corporation, Itel Rail Corporation, 9½% Amended Trust Certificates, 1977 Series 2, due October 31, 1992.

Each of the Amended Trust Certificates in this series (the "Amended 1977 Series 2 Trust Certificates") shall represent an interest in the amount therein specified in the trust created hereunder and, subject to the provisions of Section 2.03 of the Amended Trust Agreement, shall bear interest on the unpaid portion of said amount at the rate of 9½% per annum, payable quarterly as set forth below. Interest on any overdue principal and interest, subject to the provisions of Section 2.03 of the Amended Trust Agreement and to the extent legally enforceable, shall be payable at the rate of 10½% per annum.

Subject to the provisions of Section 2.03 of the Amended Trust Agreement, the Amended 1977 Series 2 Trust Certificates shall be payable as follows: Interest only shall be payable on April 30, 1977, July 31, 1977, and October 31, 1977, on the principal amount outstanding on such dates; thereafter, principal and interest payments shall be made in sixty consecutive substantially equal quarterly installments on January 31, April 30, July 31, and October 31 in each year commencing January 31, 1978, calculated so that the aggregate of principal and interest payments payable on each such date shall be substantially equal and such installments of principal shall completely amortize the principal amount of the Amended 1977 Series 2 Trust Certificates. The Trustee shall furnish to each holder of the Amended 1977 Series 2 Trust Certificates at the time of issuance thereof a schedule showing the payments of principal and interest to be made thereon.

Subject to the provisions of Section 2.02 of the Amended Trust Agreement, the Amended 1977 Series 2 Trust Certificates are prepayable, as a whole, at the option of Rail, on not less than thirty days prior notice given as provided in Section 10.05 of the Amended Trust Agreement, at the following prepayment prices (expressed in percentages of the principal amount), together with, in each case, accrued and unpaid interest to the date fixed for prepayment:

<u>If Prepaid During 12-Month Period Commencing January 1</u>	<u>Optional Prepayment Price</u>
1977	109.500%
1978	108.867%
1979	108.233%
1980	107.600%
1981	106.967%
1982	106.333%
1983	105.700%
1984	105.067%
1985	104.433%
1986	103.800%
1987	103.167%
1988	102.533%
1989	101.900%
1990	101.267%
1991	100.633%
1992	100.000%

provided, however, that no such prepayment may be made prior to January 1, 1988, as part of a refunding or anticipated refunding operation by the application, directly or indirectly, of borrowed funds having an

effective interest cost of less than 9½% per annum or having, as of the date of the proposed prepayment, a weighted average life to maturity less than the remaining weighted average life to maturity of the Amended 1977 Series 2 Trust Certificates to be prepaid. As used above, "weighted average life to maturity" of any indebtedness for borrowed money means, at the time of the determination thereof, the number of years obtained by dividing the then remaining dollar-years of such indebtedness by the then outstanding principal amount of such indebtedness. "Remaining dollar-years" of any indebtedness for borrowed money means the sum of the products of (1) the amount of each then remaining sinking fund, serial maturity, or other required repayment, including repayment at stated maturity and (2) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of proposed prepayment and the date of that required repayment.

Interest on the Amended 1977 Series 2 Trust Certificates shall be calculated on the basis of a three hundred sixty day year of twelve thirty day months.

SCHEDULE 2D

Itel Corporation, Itel Rail Corporation, 9½% Amended Trust Certificates, 1978 Series 1, due January 31, 1993.

Each of the Amended Trust Certificates in this series (the "Amended 1978 Series 1 Trust Certificates") shall represent an interest in the amount therein specified in the trust created hereunder and, subject to the provisions of Section 2.03 of the Amended Trust Agreement, shall bear interest on the unpaid portion of said amount at the rate of 9½% per annum, payable quarterly as set forth below. Interest on any overdue principal and interest, subject to the provisions of Section 2.03 of the Amended Trust Agreement and to the extent legally enforceable, shall be payable at the rate of 10½% per annum.

Subject to the provisions of Section 2.03 of the Amended Trust Agreement, the Amended 1978 Series 1 Trust Certificates shall be payable as follows: Principal and interest payments shall be made in sixty consecutive substantially equal quarterly installments on January 31, April 30, July 31, and October 31 in each year commencing April 30, 1978, calculated so that the aggregate of principal and interest payments payable on each such date shall be substantially equal and such installments of principal shall completely amortize the principal amount of the Amended 1978 Series 1 Trust Certificates. The Trustee shall furnish to each holder of the Amended 1978 Series 1 Trust Certificates at the time of issuance thereof a schedule showing the payments of principal and interest to be made thereon.

Subject to the provisions of Section 2.02 of the Amended Trust Agreement, the Amended 1978 Series 1 Trust Certificates are prepayable, as a whole, at the option of Rail, on not less than thirty days prior notice given as provided in Section 10.05 of the Amended Trust Agreement, at the following prepayment prices (expressed in percentages of the principal amount), together with, in each case, accrued and unpaid interest to the date fixed for prepayment:

If Prepaid During 12-Month Period Commencing January 1	Optional Prepayment Price
1978	109.500%
1979	108.867%
1980	108.233%
1981	107.600%
1982	106.967%
1983	106.333%
1984	105.700%
1985	105.067%
1986	104.433%
1987	103.800%
1988	103.167%
1989	102.533%
1990	101.900%
1991	101.267%
1992	100.633%
1993	100.000%

provided, however, that no such prepayment may be made prior to January 1, 1988, as part of a refunding or anticipated refunding operation by the application, directly or indirectly, of borrowed funds or the proceeds of the sale of any sinking fund preferred stock having an effective interest cost of less than 9½% per annum or having, as of the date of the proposed prepayment, a weighted average life to maturity less than the remaining weighted average life to maturity of the Amended 1978 Series 1 Trust Certificates to be

prepaid. As used above, "weighted average life to maturity" of any indebtedness for borrowed money (including any sinking fund preferred stock) means, at the time of the determination thereof, the number of years obtained by dividing the then remaining dollar-years of such indebtedness by the then outstanding principal amount of such indebtedness. "Remaining dollar-years" of any indebtedness for borrowed money means the sum of the products of (1) the amount of each then remaining sinking fund, serial maturity, or other required repayment, including repayment at stated maturity and (2) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of proposed prepayment and the date of that required repayment.

Interest on the Amended 1978 Series 1 Trust Certificates shall be calculated on the basis of a three hundred sixty day year of twelve thirty day months.

SCHEDULE 2E

Itel Corporation, Itel Rail Corporation, 9¼% Amended Trust Certificates, 1978 Series 2, due August 15, 1993.

Each of the Amended Trust Certificates in this series (the "Amended 1978 Series 2 Trust Certificates") shall represent an interest in the amount therein specified in the trust created hereunder and, subject to the provisions of Section 2.03 of the Amended Trust Agreement, shall bear interest on the unpaid portion of said amount at the rate of 9¼% per annum, payable semiannually on February 15 and August 15 in each year from the date thereof. Interest shall be payable on overdue payments of principal and interest at the rate of 10¼% per annum, subject to the provisions of Section 2.03 of the Amended Trust Agreement and to the extent legally enforceable.

The Amended 1978 Series 2 Trust Certificates are subject to redemption at 100% of the principal amount thereof to be redeemed plus accrued and unpaid interest to the date fixed for redemption in an aggregate principal amount equal to 4.75% of the aggregate principal amount of the Amended 1978 Series 2 Trust Certificates issued (the "Mandatory Sinking Fund Payment") on February 15 and August 15 of each year commencing August 15, 1983, and terminating February 15, 1993. In addition, subject to the provisions of Section 2.02 of the Amended Trust Agreement, Rail, on February 15 and August 15 of each year commencing August 15, 1983, and terminating February 15, 1993, may, at its option, exercisable by a Request delivered to the Trustee at least forty-five days prior to the redemption date, make an additional rental payment in order to redeem up to the same aggregate principal amount of the Amended 1978 Series 2 Trust Certificates as equals the Mandatory Sinking Fund Payment payable on each such date. To the extent that the optional right of redemption is not exercised on any Mandatory Sinking Fund Payment date, it shall not be cumulative or carried forward to any subsequent Mandatory Sinking Fund Payment date. The unpaid principal amount of the Amended 1978 Series 2 Trust Certificates will mature on August 15, 1993.

Subject to the provisions of Section 2.02 of the Amended Trust Agreement, the Amended 1978 Series 2 Trust Certificates are redeemable (otherwise than through the provisions of the previous paragraph), as a whole or in part, at the option of Rail, exercisable by Request delivered to the Trustee at least forty-five days prior to the proposed redemption date, at the following redemption prices (expressed in percentages of the principal amount), together with, in each case, accrued and unpaid interest to the date fixed for redemption:

If Prepaid During 12-Month Period Commencing February 15	Optional Prepayment Price
1978	109.25%
1979	108.63%
1980	108.02%
1981	107.40%
1982	106.79%
1983	106.17%
1984	105.55%
1985	104.93%
1986	104.32%
1987	103.70%
1988	103.08%
1989	102.47%
1990	101.85%
1991	101.23%
1992	100.62%
1993	100.00%

provided, however, that no such redemption may be effected prior to August 15, 1988, as part of a refunding or anticipated refunding operation by the application, directly or indirectly, of borrowed funds or the

proceeds of the sale of any sinking fund preferred stock having an effective interest cost of less than $9\frac{1}{4}\%$ per annum or having, as of the date of the proposed redemption, a weighted average life to maturity less than the remaining weighted average life to maturity of the Amended 1978 Series 2 Trust Certificates to be redeemed. As used above, "weighted average life to maturity" of any indebtedness for borrowed money (including any sinking fund preferred stock) means, at the time of the determination thereof, the number of years obtained by dividing the then remaining dollar-years of such indebtedness by the then outstanding principal amount of such indebtedness. "Remaining dollar-years" of any indebtedness for borrowed money (including any sinking fund preferred stock) means the sum of the products of (1) the amount of each then remaining sinking fund, serial maturity, or other required repayment, including repayment at stated maturity and (2) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of proposed redemption and the date of that required repayment.

Interest on the Amended 1978 Series 2 Trust Certificates shall be calculated on the basis of a three hundred sixty day year of twelve thirty day months.

SCHEDULE 2F

Itel Corporation, Itel Rail Corporation, 10% Amended Trust Certificates, 1978 Series 3, due December 1, 1994.

Each of the Amended Trust Certificates in this series (the "Amended 1978 Series 3 Trust Certificates") shall represent an interest in the amount therein specified in the trust created hereunder and, subject to the provisions of Section 2.03 of the Amended Trust Agreement, shall bear interest on the unpaid portion of said amount at the rate of 10% per annum, payable semiannually on June 1 and December 1 in each year commencing June 1, 1979, or the June 1 or December 1 immediately following the date of initial issuance of such Amended 1978 Series 3 Trust Certificates. Interest shall be payable on overdue payments of principal and interest at the rate of 11% per annum, subject to the provisions of Section 2.03 of the Amended Trust Agreement and to the extent legally enforceable.

The Amended 1978 Series 3 Trust Certificates are subject to redemption at 100% of the principal amount thereof to be redeemed plus accrued and unpaid interest to the date fixed for redemption in an aggregate principal amount equal to 4.75% of the aggregate principal amount of the Amended 1978 Series 3 Trust Certificates issued (the "Mandatory Sinking Fund Payment") on June 1 and December 1 of each year commencing December 1, 1984, and terminating June 1, 1994. In addition, subject to the provisions of Section 2.02 of the Amended Trust Agreement, Rail, on June 1 and December 1 of each year commencing December 1, 1984, and terminating June 1, 1994, may, at its option, exercisable by a Request delivered to the Trustee at least sixty days prior to the redemption date, make an additional rental payment in order to redeem up to the same aggregate principal amount of the Amended 1978 Series 3 Trust Certificates as equals the Mandatory Sinking Fund Payment payable on each such date; *provided, however*, that no increased rental payment may at any time be made by Rail if, after giving effect thereto, the aggregate of (x) all such increased rental payment plus (y) the aggregate of Rail Casualty Payments provided for in subsection 2.02(e) of the Amended Trust Agreement would exceed 15% of the aggregate principal amount of the Amended 1978 Series 3 Trust Certificates issued. To the extent that the optional right of redemption is not exercised on any Mandatory Sinking Payment date, it shall not be cumulative or carried forward to any subsequent Mandatory Sinking Fund Payment date. The unpaid principal amount of the Trust Certificates will mature on December 1, 1994.

Subject to the provisions of Section 2.02 of the Amended Trust Agreement, the Amended 1978 Series 3 Trust Certificates are redeemable (otherwise than through the provisions of the previous paragraph), as a whole or in part, at the option of Rail, exercisable by a Request delivered to the Trustee at least sixty days prior to the proposed redemption date, at the following redemption prices (expressed in percentages of the principal amount), together with, in each case, accrued and unpaid interest to the date fixed for redemption:

If Redeemed During 12-Month Period Commencing December 2	Optional Redemption Price	If Redeemed During 12-Month Period Commencing December 2	Optional Redemption Price
1978	110.00%	1986	107.00%
1979	110.00%	1987	106.00%
1980	110.00%	1988	105.00%
1981	110.00%	1989	104.00%
1982	110.00%	1990	103.00%
1983	110.00%	1991	102.00%
1984	109.00%	1992	101.00%
1985	108.00%	1993	100.00%

provided, however, that no such redemption may be effected on or prior to December 1, 1989, as part of a refunding or anticipated refunding operation by the application, directly or indirectly, of borrowed funds

or the proceeds of the sale of any sinking fund preferred stock having an effective interest cost or dividend yield, as the case may be, of less than 10% per annum or having, as of the date of the proposed redemption, a final maturity earlier than December 1, 1994, or a weighted average life to maturity less than the remaining weighted average life to maturity of the Amended 1978 Series 3 Trust Certificates to be redeemed. As used above, "weighted average life to maturity" of any indebtedness for borrowed money (including any sinking fund preferred stock) means, at the time of the determination thereof, the number of years obtained by dividing the then remaining dollar-years of such indebtedness by the then outstanding principal amount of such indebtedness. "Remaining dollar-years" of any indebtedness for borrowed money (including any sinking fund preferred stock) means the sum of the products of (1) the amount of each then remaining sinking fund, serial maturity, or other required repayment, including repayment at stated maturity and (2) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of proposed redemption and the date of that required repayment.

Interest on the Amended 1978 Series 3 Trust Certificates shall be calculated on an actual elapsed day and a three hundred sixty-five day year basis.

SCHEDULE 2G

Intel Corporation, Intel Rail Corporation, 10%% Amended Trust Certificates, 1978 Series 4, due December 31, 1993.

Each of the Amended Trust Certificates in this series (the "Amended 1978 Series 4 Trust Certificates") shall represent an interest in the amount therein specified in the trust created hereunder and, subject to the provisions of Section 2.03 of the Amended Trust Agreement, shall bear interest on the unpaid portion of said amount at the rate of 10%% per annum, payable quarterly on March 31, June 30, September 30, and December 31 in each year from the date thereof, commencing March 31, 1979. Interest shall be payable on overdue payments of principal, premium (if any), and interest at the rate of 11%% per annum, subject to the provisions of Section 2.03 of the Amended Trust Agreement and to the extent legally enforceable.

The Amended 1978 Series 4 Trust Certificates are subject to redemption on December 31 of each year commencing December 31, 1984, and terminating December 31, 1993, at 100% of the principal amount thereof to be redeemed plus accrued and unpaid interest to the date fixed for redemption, in an aggregate principal amount equal to 10% of the aggregate principal amount of the Amended 1978 Series 4 Trust Certificates issued (the "Mandatory Sinking Fund Payment"). In addition, subject to the provisions of Section 2.02 of the Amended Trust Agreement, Rail may, at its option, exercisable by a Request delivered to the Trustee at least forty-five days prior to any Mandatory Sinking Fund Payment date, make an additional rental payment to redeem, at 100% of the principal amount thereof plus accrued and unpaid interest to the date fixed for redemption, up to the same aggregate principal amount of the Amended 1978 Series 4 Trust Certificates as equals the Mandatory Sinking Fund Payment payable on such date. To the extent that the optional right of redemption is not exercised on any Mandatory Sinking Fund Payment date, it shall not be cumulative or carried forward to any subsequent Mandatory Sinking Fund Payment date. The unpaid principal amount of the Trust Certificates will mature on December 31, 1993.

Subject to the provisions of Section 2.02 of the Amended Trust Agreement, the Amended 1978 Series 4 Trust Certificates are redeemable (otherwise than through the provisions of the previous paragraph), as a whole or in part, at the option of Rail, exercisable by a Request delivered to the Trustee at least forty-five days prior to the proposed redemption date, at the following redemption prices (expressed in percentages of the principal amount), together with, in each case, accrued and unpaid interest to the date fixed for redemption:

<u>If Redeemed During 12-Month Period Commencing December 31</u>	<u>Optional Redemption Price</u>
1978	110.375%
1979	109.683%
1980	108.992%
1981	108.300%
1982	107.608%
1983	106.917%
1984	106.225%
1985	105.533%
1986	104.842%
1987	104.150%
1988	103.458%
1989	102.767%
1990	102.075%
1991	101.383%
1992	100.692%

provided, however, that no such redemption may be effected prior to December 31, 1988, as part of a refunding or anticipated refunding operation by the application, directly or indirectly, of borrowed funds

or the proceeds of the sale of any sinking fund preferred stock having an effective interest cost of less than 10% per annum or having, as of the date of the proposed redemption, a weighted average life to maturity less than the remaining weighted average life to maturity of the Amended 1978 Series 4 Trust Certificates to be redeemed. As used above, "weighted average life to maturity" of any indebtedness for borrowed money (including any sinking fund preferred stock) means, at the time of the determination thereof, the number of years obtained by dividing the then remaining dollar-years of such indebtedness by the then outstanding principal amount of such indebtedness. "Remaining dollar-years" of any indebtedness for borrowed money (including any sinking fund preferred stock) means the sum of the products of (1) the amount of each then remaining sinking fund, serial maturity, or other required repayment, including repayment at stated maturity and (2) the number of years (calculated to the nearest one-twelfth) which will elapse between the date of proposed redemption and the date of that required repayment.

Interest on the Amended 1978 Series 4 Trust Certificates shall be calculated on the basis of a three hundred sixty day year of twelve thirty day months.

SCHEDULE 3

ITEL OWNED EQUIPMENT

		BOXCARS			
Company	Reporting Marks	Equipment Description	No. of Cars	Unit Cost	Total Cost
Amesbury & Western	AHW 2000-2099	50'6"XP, 70-Ton PL.B, C-Sgl. 10' Sldg.	75	\$28,170.24	\$ 2,112,768.00
Chicago Railroad	CAD 1117-1149	50'6" XM, 70-Ton PL.B., C-Sgl. 10' Sldg.	33	\$38,267.20	\$ 1,262,817.60
North and Counce Road Company	CCR 6400-6499	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg.	100	\$38,334.46	\$ 3,833,446.00
Winville and Northern Road Company	GRN 8100-8149	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg.	50	\$38,135.74	\$ 1,906,787.00
Hardford & Slocomb Way Company	HS 2000-2099	50'6"XM, 70-Ton PL.B., C-Sgl. 10' Sldg.	23	\$28,170.24	\$ 647,915.52
	HS 60001-60130	60'10"XM, 100-Ton PL.C C-Sgl. 12' Sldg.	56	\$47,681.88	\$ 2,670,185.28
	HS 60001-60130	60'10"XM, 100-Ton PL.C C-Sgl. 12' Sldg.	74	\$47,669.12	\$ 3,527,514.88
Minnesota, Dakota and Western Road	MDW 6000-6099	50'6" XM, 100-Ton PL.F., C-Dbl. 8' Plug	99	\$45,452.80	\$ 4,499,827.20
North Louisiana and Gulf Road Company	NLG 5551-5600	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg.	50	\$38,836.63	\$ 1,941,831.50
Memphis State Docks Road Company	SSDK 1000-1099	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg.	99	\$37,668.20	\$ 3,729,151.80
St. Louis, Oklahoma and Eastern Road Company	TOE 2500-2599	50'6" XM, 100-Ton PL.C., OC-Dbl. 8' Plug	99	\$41,002.17	\$ 4,059,214.83
Kentucky Transportation Road Company	TTIS 25101-25150	50'6" XM, 70-Ton PL.C., C-Sgl. 10' Sldg.	50	\$38,135.74	\$ 1,906,787.00
Camden and Highland	EACH 4151-4250	60'10" XM, 100-Ton PL.C., C-Sgl. 12' Sldg.	51	\$47,669.12	\$ 2,431,125.12
Camden and Highland	EACH 4151-4250	60'10" XM, 100-Ton PL.C., C-Sgl. 12' Sldg.	49	\$47,681.88	\$ 2,336,412.12
North Mountain Railroad Company	GMRC 300-399	40'6" XM, 50-Ton PL.B., C-Sgl. 9' Sldg.	99	\$15,918.53	\$ 1,575,934.47
St. Louis Railroad	PICK 55406, 55408, 55409	50'6" XM, 70-Ton PL.B, C-Sgl. 10' Sldg.	11	\$15,000.00	\$ 165,000.00
	NSL 100939-100946				
Worcester and Worcester Company	PW 60301-60600	60'10"XM, 70-Ton PL.C., C-Sgl. 12' Sldg.	41	\$47,669.12	\$ 1,954,433.92
	PW 60301-60600	60'10"XM, 70-Ton PL.C., C-Sgl. 12' Sldg.	29	\$47,681.88	\$ 1,382,744.52
			1,088		\$41,943,896.76

TRAILERS

INC.	BCCZ 250600-250659	Piggyback Trailers	60	\$ 9,999.00	\$ 599,940.00
Orchard and Egyptian Railroad	SC0Z 202550-202599	Piggyback Trailers	32	\$ 9,999.00	\$ 319,968.00
St. Toledo and Ironton Railway Company	SDTZ 200101-200168, 200170, 200200	Piggyback Trailers	97	\$10,050.80	\$ 974,927.60
St. Louis Trunk Road	SQWZ 206201-206351	Piggyback Trailers	113	\$ 9,602.13	\$ 1,085,040.69
St. Louis and Slocomb Railway Company	SHSZ 200200-200204, 200206-200211, 200213, 200215	Piggyback Trailers	13	\$ 9,999.00	\$ 129,987.00
St. Central Railroad Company	SMCZ 205651-205900	Piggyback Trailers	161	\$ 9,999.00	\$ 1,609,839.00
St. Mexican Railroad Company	STMZ 201000-201099	Piggyback Trailers	100	\$ 9,818.00	\$ 981,800.00
St. Mexican Railroad Company	STMZ 201100-201299	Piggyback Trailers	197	\$10,300.00	\$ 2,029,100.00
St. Pacific Railroad Company	SWPZ 271000-271574	Piggyback Trailers	315	\$ 9,999.00	\$ 3,149,685.00
St. Pacific Railroad Company	SWPZ 272100-272199	Piggyback Trailers	38	\$ 9,602.13	\$ 364,880.94
			1,126		\$11,245,168.23

FLATCARS

Orchard and Egyptian Railroad St. Northern Railroad Company	COER 100050-100099	TOFC/COFC 70-Ton, 89'4"	50	\$45,620.06	\$ 2,281,003.00
	SSIX 100101-100102	462'8" TOFC, 10-unit Articulated, FC	2	\$300,000.00	\$ 600,000.00
Mexican Railroad Company	TM 400250-400299	TOFC/COFC 70-Ton, 89'4"	50	\$46,052.12	\$ 2,302,606.00
			102		\$ 5,183,609.00

GONDOLAS

St. Louis Trunk Western	GTW 148000-148199	52'6", 100-Ton Gondola PL.B., GB	200	\$39,422.97	\$ 7,884,594.00
			200		\$ 7,884,594.00

SCHEDULE 4

Itel Corporate Overhead Expense Description

CATEGORY 1—DIRECT EXPENSES—OUTSIDE SERVICES

This category includes direct expenses incurred externally and administered by Itel. These expenses are definite in amount and identifiable to specific subsidiaries or divisions and include the following expenses:

Occupancy—Costs are charged for the floor space actually occupied at the rate specified for such space in current lease agreements. (Surplus space charges, and sublease income related thereto, are charged to Category 4—Corporate Overhead—and are not passed through to the operating subsidiaries or divisions.)

Telephone—Charges are based on specific line and equipment usage which is identified to the using subsidiary or division. Centrex operators are charged on the basis of telephone usage.

Audit—Charges are based upon actual time expended in the audit of the entity charged. (Accruals are adjusted subsequent to a final billing, normally rendered in the year after the audit expense has been charged.)

Insurance—Insurance premiums are charged on the basis of either specific identification where appropriate or by an allocation technique based upon usage.

Legal—Legal fees incurred by outside counsel and the charges associated with specific personnel assigned directly to subsidiary or division affairs are charged to the subsidiary or division using such outside counsel and employing such personnel.

Tax—Charges incurred for tax consulting that relate directly to a specific subsidiary or division tax matter.

Facilities—Costs of Maintenance, property taxes, operating costs, and the amortization of furniture and fixtures are allocated on the basis of square footage occupied. (Components of costs charged to a subsidiary or division relate directly to the building space actually occupied). Costs associated directly with subsidiary or division personnel for parking are also charged.

CATEGORY 2—DIRECT EXPENSE—INTERNAL SERVICES

Expenses in this category are incurred internally and are related to Itel personnel assigned to a subsidiary or division and transaction-based costs such as data processing. These expenses reflect a clearly identifiable level of Itel support required for subsidiary or division operations. The specific components of this category are:

Data Processing—Charges are based upon specific rates and are billed on the basis of usage.

Internal Audit—Charges are based upon the costs of operating Itel's Internal Audit Department and are charged to the subsidiary or division on the basis of time expended on such subsidiary or division activities.

CATEGORY 3—SUBSIDIARY OR DIVISION SUPPORT SERVICES EXPENSE

This category is comprised of the costs of Itel departments which provide services with varying degrees of identifiability to subsidiaries or divisions, and thus require an allocation in order to determine subsidiary or division charges. The functions included in this category are required to support routine business operations and generally constitute services or functions not performed in the subsidiaries or divisions. The components of this category of expense are as follows:

Personnel and Benefits—This department provides personnel and benefits administration to the entire company; costs are allocated to the subsidiaries or divisions on a headcount basis.

Office and Administrative Services—This department is responsible for facilities maintenance and operation. Charges to the subsidiaries or divisions are determined on the basis of square footage.

Treasury Operations—Charges of the cash management group are allocated on the basis of cash activity.

Risk Management—The costs of operating this staff function are allocated to the subsidiaries or divisions on the basis of premiums charged.

Payroll—The costs of Itel's payroll department are charged on the basis of headcount. This department services all subsidiaries and divisions and the corporate organization.

SCHEDULE 5

Ratio of Debt to total capitalization cannot exceed 40% (except for finance companies, in which case said ratio cannot exceed 67%).

Tangible Net Worth must exceed the product of (i) two (2) and (ii) the Total Callback Amount.

Ratio of current assets to current liabilities must exceed 150%.

Ratio of earnings available for fixed charges to fixed charges must exceed 150%.

SCHEDULE 6

Additional provisions in respect of the 1978 Series 4 Amended ETC Series Trust.

Lease, with respect to Trust Equipment in the 1978 Series 4 Amended ETC Series Trust (see Schedule 1G, hereinabove) (the "1978 Series 4 Trust Equipment"), shall mean: (i) each of the lease agreements annexed hereto, consisting of: (a) that certain Lease Agreement, dated as of February 9, 1977, between SSI Rail Corp. ("SSI Rail"), as lessor, and Camino, Placerville & Lake Tahoe Railroad, as lessee, as amended on September 6, 1978, together with Equipment Schedule #1 thereto, insofar as such Lease Agreement, as so amended and supplemented, relates to 1978 Series 4 Trust Equipment; (b) that certain Lease Agreement, dated as of August 6, 1976, between SSI Rail, as lessor, and Greenville & Northern Railway Company ("GRN"), as lessee, as amended by Amendment No. 1, dated as of March 1, 1978, and Rider No. 1, executed by Itel on June 15, 1978, and executed by GRN on July 5, 1978, together with Equipment Schedule #3 thereto, insofar as such Lease Agreement, as so amended and supplemented, relates to 1978 Series 4 Trust Equipment; (c) that certain Lease Agreement, dated as of May 5, 1978, between Itel, as lessor, and Atlanta & Saint Andrews Bay Railway Company ("ASAB"), as lessee, as amended by Rider No. 1, executed by ASAB on May 5, 1978, and executed by Itel on June 2, 1978, together with Equipment Schedule #3 thereto, insofar as such Lease Agreement, as so amended and supplemented, relates to 1978 Series 4 Trust Equipment; (d) that certain Lease Agreement, dated as of June 14, 1977, among Itel, SSI Rail, as lessor, and Arkansas & Louisiana Missouri Railway Company ("ALM"), as lessee, as amended by Rider No. 2, executed by ALM on March 15, 1978 and executed by Itel on March 17, 1978, together with Equipment Schedule #4 thereto, insofar as such Lease Agreement, as so amended and supplemented, relates to 1978 Series 4 Trust Equipment; (e) that certain Lease Agreement, dated as of December 23, 1977, among Itel, SSI Rail, as lessor, and Marinette, Tomahawk & Western Railroad Company, as lessee, together with Equipment Schedules #2 and #3 thereto, insofar as such Lease Agreement, as so supplemented, relates to 1978 Series 4 Trust Equipment; and (f) that certain Lease Agreement, dated as of July 21, 1977, between SSI Rail, as lessor, and North Louisiana and Gulf Railroad Company ("NLG"), as lessee, as amended by Amendment No. 1, executed by NLG on October 26, 1977, and executed by Itel on November 2, 1977, Amendment No. 2, dated as of July 1, 1978, and Rider No. 1, executed by NLG on July 13, 1978, and executed by Itel on August 24, 1978, together with Equipment Schedule #3 thereto, insofar as such Lease Agreement, as so amended and supplemented, relates to 1978 Series 4 Trust Equipment, and (ii) any other lease agreement covering one or more units of 1978 Series 4 Trust Equipment and approved by the written consent of the holders of not less than a majority in aggregate unpaid principal amount of the Amended 1978 Series 4 Trust Certificates then outstanding.

SCHEDULE 7

Snavely, King & Associates

SCHEDULE 8

1. 14% SECURED NOTES:

Total Authorized Principal Amount: \$210 million.*

Maturity Date: December 31, 1996.

Interest Rate (unless deferred): 14% per annum.

2. 10% NOTES:

Total Authorized Principal Amount: \$110 million.*

Maturity Date: December 31, 2002.

Interest Rate (unless deferred): 10% per annum.

3. PREFERRED STOCK:

Authorized: 1,020,000 shares.

Par Value: \$100 per share.

Dividend: \$10 per annum.

RETIREMENT TABLE

<u>On or Before</u>	<u>Amount</u>
December 31, 1982	\$100.0 million
December 31, 1983	\$103.9 million
December 31, 1984	\$109.7 million
December 31, 1985	\$113.2 million
December 31, 1986	\$135.5 million
December 31, 1987	\$186.1 million
December 31, 1988	\$222.1 million
December 31, 1989	\$257.7 million
December 31, 1990	\$306.0 million
December 31, 1991	\$364.4 million
December 31, 1992	\$403.8 million
December 31, 1993	\$420.0 million
December 31, 1994	\$420.0 million

* Subject to adjustment for the rounding of interests in the notes on original issuance pursuant to the Plan.

SCHEDULE 9

Class A Debentures

Class B Debentures

For the purposes of this Schedule 9 Class A & B Debentures shall mean those income debentures of the Green Bay and Western Railroad Company issued as part of the reorganization of the Green Bay, Winona and St. Paul Railroad Company which was sold at foreclosure in May 1896.